



**Consolidated
Infrastructure
Group Limited**

Prepared in terms of section 150 of the Companies Act 71 of 2008

in relation to

**CONSOLIDATED INFRASTRUCTURE GROUP LIMITED
(IN BUSINESS RESCUE)**

prepared by the

Joint Business Rescue Practitioners:

Peter van den Steen and Martin Liebenberg

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CORPORATE INFORMATION AND ADVISOR DETAILS:

Company

Consolidated Infrastructure Group Limited

Business Rescue Practitioners

Peter van den Steen

Martin Liebenberg

Preparation of the Independent Liquidation Estimated Outcome Statement

Deloitte South Africa

Legal Advisors to the Business Rescue Practitioners

Werksmans Inc

Legal Advisors to the Company

Werksmans Inc

ENSafrica

Restructuring Advisors to the Company

Metis Strategic Advisors Proprietary Limited

BSM Advisory Proprietary Limited

Auditors

PricewaterhouseCoopers LLP

Sponsor

Java Capital

TABLE OF CONTENTS:

CORPORATE INFORMATION AND ADVISOR DETAILS:	II
TABLE OF CONTENTS:	III
ANNEXURE LIST:	V
1 INTRODUCTION	1
1.1 DISCLAIMER.....	1
1.2 STRUCTURE OF THE BUSINESS RESCUE PLAN	2
1.3 INTERPRETATION.....	3
1.4 EXECUTIVE SUMMARY.....	12
2 PROPOSAL	15
PART A - BACKGROUND	15
2.1 SHAREHOLDERS OF THE COMPANY	15
2.2 DIRECTOR OF THE COMPANY.....	15
2.3 COMPANY INFORMATION.....	16
2.4 COMPANY BACKGROUND	16
2.5 EVENTS WHICH LED TO THE COMPANY COMMENCING BUSINESS RESCUE	17
2.6 AIMS AND OBJECTIVES OF BUSINESS RESCUE.....	20
2.7 BUSINESS RESCUE EVENTS	20
2.8 STEPS TAKEN SINCE THE APPOINTMENT OF THE BRPS	21
2.9 MATERIAL ASSETS AND SECURITY (SECTION 150(2)(A)(I)):	26
2.10 CREDITORS OF THE COMPANY (SECTION 150(2)(A)(II)):.....	26
2.11 VOTING INTERESTS AND VOTING BY PROXY.....	28
2.12 LIQUIDATION ESTIMATED OUTCOME STATEMENT (SECTION 150(2)(A)(III)):	29

2.13	HOLDERS OF THE COMPANY'S ISSUED SECURITIES (SECTION 150(2)(A)(IV))	31
2.14	BRPS' REMUNERATION (SECTION 150(2)(A)(V))	31
2.15	PROPOSAL MADE INFORMALLY BY CREDITORS (SECTION 150(2)(A)(VI))	32
PART B –TERMS OF THE PROPOSAL		33
2.16	TERMS OF THE PROPOSAL.....	33
2.17	BINDING NATURE OF THIS BUSINESS RESCUE PLAN.....	37
2.18	MORATORIUM (SECTION 150(2)(B)(I))	37
2.19	BENEFITS OF ADOPTING THE BUSINESS RESCUE PLAN COMPARED TO LIQUIDATION (SECTION 150(2)(B)(VI))	38
2.20	RISKS OF THE BUSINESS RESCUE PLAN:	39
PART C – ASSUMPTIONS AND CONDITIONS OF PROPOSAL		42
2.21	TERMINATION OF BUSINESS RESCUE (SECTION 150(2)(C)(III)):	42
2.22	SUBSTANTIAL IMPLEMENTATION (SECTION 150(2)(C)(I)(BB)):	42
2.23	PROJECTED BALANCE SHEET AND PROJECTED INCOME STATEMENT (SECTION 150(2)(C)(IV)):	43
3 ADMINISTRATIVE MATTERS		44
3.1	EXISTING LITIGATION OR ALTERNATE DISPUTE RESOLUTION PROCEEDINGS:	44
3.2	DISPUTE MECHANISM:	44
3.3	DOMICILIUM	47
3.4	ABILITY TO AMEND THE BUSINESS RESCUE PLAN.....	48
3.5	SEVERABILITY.....	49
4 CONCLUSION AND BRP CERTIFICATES.....		49
4.1	CONCLUSION.....	49
4.2	BRPS' CERTIFICATES.....	50

ANNEXURE LIST:

ANNEXURE A	LIST OF MATERIAL ASSETS AND SECURITY OF THE COMPANY
ANNEXURE B	CIG GROUP STRUCTURE
ANNEXURE C	KEY ASPECTS OF THE PROPOSAL
ANNEXURE D	PROJECTED INCOME STATEMENT
ANNEXURE E	LIST OF THE CREDITORS OF THE COMPANY
ANNEXURE F	PROXY FORM
ANNEXURE G	BRPS' REMUNERATION AGREEMENT

1 INTRODUCTION

1.1 Disclaimer

- 1.1.1 The BRPs in the preparation of this Business Rescue Plan have relied on information obtained from the books and records of the Company, meetings held with relevant persons including the Company's directors, Management, staff, auditors, suppliers, clients, advisors and other service providers of the Company, and studies and reports commissioned from various technical and other professional advisors in connection with the affairs of the Company.
- 1.1.2 Affected Persons are advised to consult with an independent attorney, accountant, or other professional advisor in respect of this Business Rescue Plan should they so wish or require.
- 1.1.3 Nothing contained in the Business Rescue Plan shall constitute any form of advice to any Affected Person, and the BRPs do not make any representations in respect thereof.
- 1.1.4 Neither the BRPs nor their Advisors shall be responsible for any acts taken by (or omissions arising from) any Affected Persons' reliance on this Business Rescue Plan.
- 1.1.5 Whilst the BRPs have made certain efforts to ensure the accuracy of the information contained herein, it should be noted that the BRP's investigations have been limited in nature due to:
- 1.1.5.1 the time constraints placed on BRPs by the Companies Act;
 - 1.1.5.2 pressure from Affected Persons to effect a reasonably paced rescue;
 - 1.1.5.3 limited financial resources available to the Company (and in turn the BRPs); and
 - 1.1.5.4 the quality of the records and the state of affairs of the Companies.
- 1.1.6 The BRPs have not carried out an audit of the Company's documents, nor have they had adequate opportunity to independently verify all information provided to them by the Company and/or by relevant third parties.

1.2 **Structure of the Business Rescue Plan**

For the purposes of section 150(2) of the Companies Act, this Business Rescue Plan is divided into several parts.

1.2.1 **Introduction**

This part sets out general information about the Business Rescue Plan, the meaning of defined terms, and contains an executive summary of the Proposals in terms of the Business Rescue Plan.

1.2.2 **Proposals**

This part contains the Proposals in terms of the Business Rescue Plan and is comprised of several sub-parts in accordance with the Companies Act.

1.2.2.1 Part A – Background (section 150(2)(a))

This part sets out the background to the Company and the circumstances that resulted in the Company's Financial Distress and the events leading to the commencement of the Company's Business Rescue.

1.2.2.2 Part B – Proposals (section 150(2)(b))

This part describes the Proposals to Affected Persons and the benefits and risks of Adopting the Business Rescue Plan.

1.2.2.3 Part C – Assumptions and Conditions (section 150(2)(c))

This part sets out the conditions that must be fulfilled and the assumptions applied in respect of the Business Rescue Plan.

1.2.3 **Administrative Matters**

This part sets out administrative and general matters pertaining to the Business Rescue and the Business Rescue Plan and deals, among other things, with any amendments to the Business Rescue Plan and the mandatory Dispute Mechanism to resolve Disputed Claims.

1.2.4 **Conclusion and BRP Certificates**

This part contains the BRPs' recommendation and the certificate that is required to accompany each Business Rescue Plan in terms of the Companies Act.

1.3 Interpretation

The headings of the paragraphs in this Business Rescue Plan are for the purpose of convenience and reference only and shall not be used in the interpretation of, nor modify or amplify the terms of this Business Rescue Plan or any paragraph hereof, unless a contrary intention clearly appears.

Words importing:

- 1.3.1 any one gender includes the other gender;
- 1.3.2 the singular includes the plural and vice versa;
- 1.3.3 a natural person includes an artificial or juristic person and vice versa ("**Person**");
- 1.3.4 the following terms and/or expressions shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings:
 - 1.3.4.1 "**Adopted/Adoption/Adopting**" in relation to the Business Rescue Plan shall mean the final approval thereof in accordance with section 152(2), read with section 152(3) of the Companies Act;
 - 1.3.4.2 "**Advisors**" means the advisors to the BRPs, including but not limited to Metis, Werksmans, BSM and Deloitte, and the advisors' respective officers, representatives, and employees;
 - 1.3.4.3 "**AES**" means the Company's interests in each of –
 - 1.3.4.3.1 Angola Environmental Servicos Limitada (registration number: 2005:83), a company incorporated in accordance with the laws of Angola; and
 - 1.3.4.3.2 WMLC Services International (registration number: 137057 C2/GBL), a company incorporated in accordance with the laws of Mauritius,
 - 1.3.4.3.3 and any of their respective underlying assets and subsidiaries;
 - 1.3.4.4 "**Affected Person/s**" shall bear the meaning ascribed thereto in section 128(1)(a) of the Companies Act, being the Shareholders of the Company, Creditors and Employees;
 - 1.3.4.5 "**AFSA**" means the Arbitration Foundation of Southern Africa;

- 1.3.4.6 **"Board"** means the board of directors of the Company as at the Publication Date as set out in paragraph 2.2;
- 1.3.4.7 **"BRPs"** means the business rescue practitioners of the Company, being van den Steen and Liebenberg;
- 1.3.4.8 **"BSM"** means BSM Advisory Proprietary Limited (registration no 2019/457342/07), a private company with limited liability incorporated in accordance with the laws of South Africa;
- 1.3.4.9 **"Business Day"** means any day other than a Saturday, Sunday, or official public holiday in South Africa;
- 1.3.4.10 **"Business Rescue"** means the proceedings of the Company conducted under Chapter 6 of the Companies Act.
- 1.3.4.11 **"Business Rescue Costs"** means the remuneration, expenses, disbursements, and fees of the BRPs and their and the Company's Advisors, as well as other costs of the Business Rescue;
- 1.3.4.12 **"Business Rescue Plan"** means this document together with all of its annexures, as amended from time to time, and prepared in accordance with section 150 of the Companies Act;
- 1.3.4.13 **"Calculation Expert"** – the person tasked with making a determination with regard to Disputed Claims as contemplated paragraph 3.2.2;
- 1.3.4.14 **"CBM"** means Consolidated Building Materials, the business unit of the Company comprised of the following subsidiaries of the company:
- 1.3.4.14.1 West End Claybrick Proprietary Limited (registration number: 2006/031881/07); and
- 1.3.4.14.2 Drift Supersand Proprietary Limited (registration number: 2006/031434/07);
- both of which are private companies with limited liability incorporated in accordance with the laws of South Africa, and any of their respective underlying assets and subsidiaries.

- 1.3.4.15 **"CIGenCo"** means the business unit of the Company comprised of the following subsidiaries: –
- 1.3.4.15.1 CIGenCo SA Proprietary Limited (registration number: 2015/112445/07), a private company with limited liability incorporated in accordance with the laws of South Africa; and
- 1.3.4.15.2 CIGenCo (registration number: 118392 C2/GBL) and CIGenCo Holdings (143102 C2/GBL) both companies incorporated in accordance with the laws of Mauritius;
- 1.3.4.15.3 and any of their respective underlying assets and subsidiaries.
- 1.3.4.16 **"CIPC"** means the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
- 1.3.4.17 **"Claim(s)"** means all actual and/or alleged monetary claims against the Company including claims which are disputed, contingent, conditional, liquidated, or unliquidated (including claims for damages) accepted by the BRPs;
- 1.3.4.18 **"Commencement Date"** means 9 November 2021, being the date upon which Business Rescue commenced in accordance with section 129 of the Companies Act;
- 1.3.4.19 **"Company"** means Consolidated Infrastructure Group Limited (registration number: 2007/004935/06), a public company incorporated in accordance with the laws of South Africa, at present in Business Rescue;
- 1.3.4.20 **"Companies Act"** means the Companies Act 71 of 2008, as amended, including the regulations promulgated thereunder;
- 1.3.4.21 **"Conco"** means Consolidated Power Projects Proprietary Limited (in Business Rescue) (registration number: 1963/006171/07), a private company with limited liability incorporated in accordance with the laws of South Africa;
- 1.3.4.22 **"Conco Group"** means Consolidated Power Projects Group South Africa Proprietary Limited (registration number: 2015/034106/07), a private company with limited liability incorporated in accordance with the laws of South Africa;
- 1.3.4.23 **"Conlog"** means the business unit comprising the Conlog operations being Conlog SA (as defined below) and Conlog Nigeria, being Conlog International

(registration number: 147999 C2/GBL), a company incorporated in accordance with the laws of Mauritius, and any of their respective underlying assets and subsidiaries;

- 1.3.4.24 **"Conlog SA"** means Conlog Proprietary Limited (registration number: 1982/011895/07), a private company with limited liability incorporated in accordance with the laws of South Africa, and any of its respective assets and subsidiaries;
- 1.3.4.25 **"CPM"** means Consolidated Power Maintenance Investments Proprietary Limited Proprietary Limited (registration number: 1997/003640/07), a private company with limited liability incorporated in accordance with the laws of South Africa, and any of its respective underlying assets and subsidiaries;
- 1.3.4.26 **"Creditor"** means any person (whether natural or juristic) whose Claim has been accepted and/or recognised by the BRPs;
- 1.3.4.27 **"Deloitte"** means the Partnership of Deloitte and Touche (IRBA registration number: 902276);
- 1.3.4.28 **"Disputed Claim"** means any Claim where the existence, value, class of the Claim, or security in respect of a Claim, is disputed by the BRPs and/or by an Affected Person;
- 1.3.4.29 **"Disputed Creditor"** means a person with a Disputed Claim;
- 1.3.4.30 **"Dispute Mechanism"** means the dispute resolution mechanism outlined in paragraph 3.2.2;
- 1.3.4.31 **"Distribution"** means the payment of one or more amounts to Creditors;
- 1.3.4.32 **"Encumbered Assets"** means any asset which is subject to any security interest or Security as referred to or defined by Insolvency Law;
- 1.3.4.33 **"Expunged"** means Claims that have been finally discharged in terms of this Business Rescue Plan and/or by way of a release of the Company in terms of section 150(2)(b)(ii), read with sections 152(4) and 154 of the Companies Act, whereby any such Claims or part thereof can no longer be enforced against the Company;
- 1.3.4.34 **"Financially Distressed"** or **"Financial Distress"** shall bear the meaning ascribed thereto in section 128(1)(f) of the Companies Act;

- 1.3.4.35 **"Group"** means the Company and all of its Subsidiaries;
- 1.3.4.36 **"Helios Fairfax"** means Helios Fairfax Partners Corporation (corporation number 973035-4), a company listed on the Toronto Stock Exchange;
- 1.3.4.37 **"High Court"** means the High Court of South Africa;
- 1.3.4.38 **"Insolvency Law"** means the Insolvency Act 24 of 1936, as amended and Chapter 14 of the Companies Act 61 of 1973;
- 1.3.4.39 **"IPPs"** means independent power project(s);
- 1.3.4.40 **"JSE"** means the Johannesburg Stock Exchange;
- 1.3.4.41 **"Liebenberg"** means Martin Liebenberg (identity number 8101185230081) a BRP as contemplated in section 128(1)(d) of the Companies Act;
- 1.3.4.42 **"LRA"** means the Labour Relations Act 66 of 1995, as amended;
- 1.3.4.43 **"Management"** means the management team of the Company who have been responsible for managing the day-to-day operations of the Company from the Commencement Date under the supervision and authority of the BRPs;
- 1.3.4.44 **"Meeting"** means the virtual meeting to be held in terms of section 151 of the Companies Act (and conducted over a video-conferencing platform – details of which will be provided to Affected Persons prior to the Meeting) on **30 April 2021 at 10h00** for the purpose of voting on this Business Rescue Plan;
- 1.3.4.45 **"Metis"** means Metis Strategic Advisors Proprietary Limited (registration number 2015/220685/07) a limited liability company registered and incorporated in accordance with the laws of South Africa;
- 1.3.4.46 **"Noteholders"** means the holders of the Company's issued Domestic Medium Term Notes ("**DMTN**") which includes Ashburton Fund Managers Proprietary Limited (Acting obo SBSA in trust for Ashburton SA Income Fund), Ashburton Fund Managers Proprietary Limited (Acting obo SBSA in trust for Ashburton Stable Income Fund), Ashburton Fund Managers Proprietary Limited (Acting obo The Ashburton Credit Enhanced Fund en Commandite Partnership No.1), Bophelo Beneficiary Fund - Vele Asset Managers Proprietary Limited, Futuregrowth Asset Management Proprietary Limited, Matrix, NHBRC Kagiso Asset Managers Proprietary Limited, Ninety One SA Proprietary Limited, Sanlam Capital Markets Proprietary Limited, Sanlam Investment Management

Proprietary Limited, Sanlam Life Insurance Limited (Sanlam Capital Markets Division), Sanlam Life Insurance Limited (Sanlam Investment Management Division) and SBSA ITF Momentum Diversified Income Fund Prescient;

- 1.3.4.47 **"Parental Guarantees"** means a written guarantee/indemnity provided by the Company in favour of the Parental Guarantee Holders in terms of which the Company guarantees/indemnifies the Parental Guarantee Holders in respect of the obligations of the Group;
- 1.3.4.48 **"Parental Guarantee Holders"** means the beneficiaries of the Parental Guarantees, including but not limited to, Absa Bank Limited, Bank of China Limited Johannesburg Branch, Lombard Insurance Company Limited, Santam Limited, Standard Bank of South Africa Limited, Standard Chartered Bank Mauritius Branch and Standard Chartered Bank South Africa Branch;
- 1.3.4.49 **"PCF"** means post commencement finance obtained by the Company from a PCF Creditor as contemplated in section 135(2) of the Companies Act;
- 1.3.4.50 **"PCF Creditor"** means a Creditor, which has been authorised and accepted as such by the BRPs during the Business Rescue;
- 1.3.4.51 **"PCF Employee"** means any employee of the Company who rendered services to the Company and who is owed any remuneration, reimbursement for expenses or other amount of money relating to employment that became due and payable during the Company's Business Rescue as contemplated in section 135(1) of the Companies Act;
- 1.3.4.52 **"Preferent Creditor"** means a Creditor who would have a preferent Claim against the Company as envisaged in Insolvency Law;
- 1.3.4.53 **"Preferent Employee"** means current and former employees of the Company who hold an unsecured preferent claim against the Company in terms of section 144(2) of the Companies Act, arising from any remuneration, reimbursement for expenses or other amount of money relating to employment that became due and payable by the Company to that employee at any time before the Commencement Date, and which had not been paid to that employee immediately before the Commencement Date;
- 1.3.4.54 **"Projects"** means the projects forming the subject matter of agreements concluded between a Subsidiary of the Company and a relevant employer or counterparty comprising: (i) construction works, and/or to render construction-

related professional services; (ii) power project development projects; or (iii) other services or projects in the construction and infrastructure sectors;

- 1.3.4.55 **"Proposal/s"** means the proposals set out in Part B of this Business Rescue Plan;
- 1.3.4.56 **"Publication Date"** means the date on which this Business Rescue Plan is published to Affected Persons in terms of section 150(5) of the Companies Act, being **19 April 2021**;
- 1.3.4.57 **"Rand"** or **"R"** or **"ZAR"** means the lawful currency of South Africa;
- 1.3.4.58 **"Redundancy Plan"** means the proposed plan by the Company in respect of the proposed retrenchment of the employees of the Company;
- 1.3.4.59 **"Rejection Date"** means the date on which a Claim is rejected by the BRPs in accordance with the provisions of this Business Rescue Plan;
- 1.3.4.60 **"SARS"** means the South African Revenue Services;
- 1.3.4.61 **"Secured Creditor"** means a Creditor who holds security in terms of Insolvency Law;
- 1.3.4.62 **"Securities"** means any shares, debentures, or other instruments, irrespective of their form or title, issued or authorised to be issued by a profit company, as defined in the Companies Act;
- 1.3.4.63 **"SENS"** means the JSE Stock Exchange News Service;
- 1.3.4.64 **"Service Fees"** means all fees due by Subsidiaries to the Company including, but not limited to, management fees, technical fees and director's fees;
- 1.3.4.65 **"Shareholder"** means a shareholder of the Company as defined in Chapter 1 of the Companies Act;
- 1.3.4.66 **"Significant Creditors"** means the Noteholders, the Parental Guarantee Holders and Helios Fairfax;
- 1.3.4.67 **"South Africa"** means the Republic of South Africa;
- 1.3.4.68 **"Subsidiaries"** means all companies under the direct or indirect control of the Company and **"Subsidiary"** shall have a corresponding meaning;

- 1.3.4.69 **"Substantial Implementation Date"** means the date upon which the BRPs file a notice of substantial implementation with the CIPC;
- 1.3.4.70 **"Tax"** includes any tax, imposition, levy, duty, charge, fee, deduction or withholding of any nature (including securities transfer tax and stamp, documentary, registration, or other like duty) and any interest, penalty or other amount payable in connection therewith, which is lawfully imposed, levied, collected, withheld or assessed under the laws of South Africa or any other relevant jurisdiction and **"Taxes"**, **"Taxation"** and other cognate terms shall be construed accordingly;
- 1.3.4.71 **"Tractionel"** means the Tractionel business unit of the Company, comprising of the following subsidiaries:
- 1.3.4.71.1 Tractionel Maintenance Services Proprietary Limited (registration number: 2010/013978/07),
- 1.3.4.71.2 Tractionel Group Holdings Proprietary Limited (registration number: 2010/013846/07),
- 1.3.4.71.3 Tractionel Specialised Plant Proprietary Limited (registration number: 2016/277202/07), and
- 1.3.4.71.4 Tension Overhead Electrification Proprietary Limited (registration number: 1982/010497/07),
- all of the above which are private companies with limited liability incorporated in accordance with the laws of South Africa, and any of their respective underlying assets and subsidiaries;
- 1.3.4.72 **"Unencumbered Assets"** means any asset which is not subject to any security interest or Security as referred to or defined by Insolvency Law;
- 1.3.4.73 **"Unsecured Creditor/s"** means all Creditors with a liquidated unsecured concurrent Claims against the Company;
- 1.3.4.74 **"van den Steen"** means Petrus Francois van den Steen (identity number 6811075024087) a BRP as contemplated in section 128(1)(d) of the Companies Act;
- 1.3.4.75 **"VAT"** means the value-added tax levied in terms of the Value-Added Tax Act 89 of 1991, as amended; and

- 1.3.4.76 **"Werksmans"** means Werksmans Incorporated (registration number: 1990/007215/21), a firm of attorneys practising as such at The Central, 96 Rivonia Road, Sandton, 2196.
- 1.3.5 Any reference to any statute, regulation or other legislation in this Business Rescue Plan shall be a reference to that statute, regulation, or other legislation as at the Publication Date, and as amended or substituted from time to time.
- 1.3.6 Any reference in the Business Rescue Plan to any other agreement or document shall be construed as a reference to such other agreement, as may from time to time be amended, varied, novated, or supplemented.
- 1.3.7 If any provision in a definition in this Business Rescue Plan is a substantive provision conferring a right or imposing an obligation on any person or entity then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of this Business Rescue Plan.
- 1.3.8 Where any term is defined in this Business Rescue Plan within a particular paragraph other than this paragraph 1.3, that term shall bear the meaning ascribed to it in that paragraph wherever it is used in this Business Rescue Plan.
- 1.3.9 Where any number of days is to be calculated from a particular day, such number shall be calculated as excluding such particular day and commencing on the next day, if the last day of such number so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the next succeeding day which is a Business Day.
- 1.3.10 Any reference to days (other than a reference to Business Days), months or years shall be a reference to calendar days, months, or years, as the case may be.
- 1.3.11 Words or terms that are capitalised and not otherwise defined in the body of this Business Rescue Plan (excluding capitalised words or terms used for the purpose of headings or tables) shall bear the meaning assigned to them in the Companies Act.
- 1.3.12 The use of the word **"including"**, **"includes"** or **"include"** followed by specific examples shall not be construed as limiting the meaning of the general wording preceding it and the eiusdem generis rule shall not be applied in the interpretation of such general wording or such specific examples.
- 1.3.13 To the extent that any provision of this Business Rescue Plan is ambiguous, it is to be interpreted in a manner that is consistent with the purpose of the business rescue provisions in Chapter 6 of the Companies Act.

1.3.14 Unless otherwise stated, all references to sections are references to sections in the Companies Act.

1.3.15 All information provided in the Business Rescue Plan is reflected as at the Publication Date, unless otherwise indicated in the Business Rescue Plan.

1.4 **Executive Summary**

1.4.1 The key aspects of the Proposal are set out in **Annexure C. These form an integral part of the Proposals and should be read in conjunction with this section.**

1.4.2 The strategy to be adopted with the implementation of this Business Rescue Plan is in summary:

1.4.2.1 to achieve a better return for the Company's Creditors than would result from the immediate liquidation of the Company;

1.4.2.2 to the extent feasible, to dispose of the shares in and claims against the Subsidiaries and/or other assets through controlled sales processes aimed at optimising value. The relevant Subsidiaries and other assets which will be sold are broadly grouped into the following business units (see Annexure B– CIG Group Structure):

1.4.2.2.1 Conco Group;

1.4.2.2.2 CBM;

1.4.2.2.3 Conlog;

1.4.2.2.4 AES;

1.4.2.2.5 CPM;

1.4.2.2.6 Tractionel;

1.4.2.2.7 CIGenCo; and

1.4.2.2.8 Other – sundry assets, claims and/or entitlements.

1.4.2.3 to settle the Helios Fairfax Claim, as a Secured Creditor of the Company, from the proceeds of the sale of Conlog SA, with any excess balance of such sale proceeds falling into the pool of unencumbered assets referred to in paragraph 1.4.2.4 below;

- 1.4.2.4 from existing cash resources, the collection of Service Fees and the proceeds realised from a sale or realisation of Unencumbered Assets, to settle the Business Rescue Costs incurred prior to the publication of the Business Rescue Plan, to ensure that sufficient funds are available and/or provided to cater for further Business Rescue Costs during the implementation of the Business Rescue Plan, any costs which may have to be incurred by the BRPs after termination of the Business Rescue and any costs related to the delisting of the Company;
- 1.4.2.5 in the event that there are unforeseen circumstances that require funding, the Company may provide direct or indirect financial assistance to the Company's Subsidiaries and/or associated companies (where deemed appropriate), which financial assistance may include the provision of loans, the issuance of guarantees (or other similar instruments and/or Securities) and/or the subordination of claims owing to the Company, where such actions would result in a direct or indirect benefit to the Company;
- 1.4.2.6 after making such payments and/or provisions as referred to in paragraph 1.4.2.4 above, to distribute the net funds to Creditors;
- 1.4.2.7 to minimise, where possible, the liabilities of the Company arising from the Parental Guarantees and/or other sources;
- 1.4.2.8 to seek to optimise the saving of employment of the Group's staff by means of the disposal of Subsidiaries;
- 1.4.2.9 to reduce the operational cost base of the Company;
- 1.4.2.10 to delist the Company; and
- 1.4.2.11 thereafter the BRPs may, in their sole discretion, either –
- 1.4.2.11.1 return the Company to its Director/s once a notice of substantial implementation has been filed with the CIPC;
- 1.4.2.11.2 apply for the Company's deregistration; or
- 1.4.2.11.3 apply for the Company's provisional or final liquidation.
- 1.4.3 Creditors will be asked to vote on the Business Rescue Plan at the Meeting. The following is relevant in this regard:

- 1.4.3.1 Affected Persons are referred to Annexure E of this Business Rescue Plan which sets out the Creditors that the BRPs have accepted and/or recognised.
- 1.4.3.2 If any Creditor disputes its Claim, such Creditor is directed to paragraphs 2.10 and 3.2 of this Business Rescue Plan.
- 1.4.3.3 Creditors will be entitled to vote the value of the amount owed to that Creditor, as determined by the BRPs (refer to paragraph 2.11).
- 1.4.3.4 For the Business Rescue Plan to be Adopted it must be supported by the holders of more than 75% of the Creditors' voting interests that were voted and the votes in support of the Business Rescue Plan must include at least 50% of independent creditors voting interests, if any, that were voted.
- 1.4.3.5 The Business Rescue Plan does not alter the rights of the Shareholders of the Company and the Shareholders will therefore not be required nor entitled to vote on this Business Rescue Plan.
- 1.4.3.6 Adoption of this Business Rescue Plan by the Creditors alone in accordance with paragraph 1.4.3.4 will therefore constitute final Adoption of the Business Rescue Plan and become binding on all Creditors.
- 1.4.3.7 Table 1 below shows a reasonable estimate of the anticipated aggregate cents in the Rand that may be payable to Creditors as a Distribution in accordance with this Business Rescue Plan in the event of it being Adopted compared to that anticipated in the event of a Liquidation.

Table 1: Distributions in Liquidation and Business Rescue per Class of Creditor

CLASS OF CREDITOR	ESTIMATED LIQUIDATION DIVIDEND		ESTIMATED BUSINESS RESCUE DISTRIBUTIONS	
	Low Cents/Rand	High Cents/Rand	Low Cents/Rand	High Cents/Rand
Secured Creditors	0.0	100	100	100
PCF Employees	N/A	N/A	N/A	N/A
PCF Creditors	N/A	N/A	N/A	N/A
Preferent Creditors	100	100	N/A	N/A
Preferent Employees	100	100	N/A	N/A
Concurrent/Unsecured Creditors	2.2	8.9	13	29

PLEASE NOTE:

Secured Creditors will receive a dividend in the Rand based on the realisation value of their security. The remaining balance of any Secured Creditors' Claim, if any, will be treated as an Unsecured Creditor.

Under Business rescue, there are no PCF Employees, PCF Creditors, Preferent Creditors or Preferent Employees.

Under liquidation there are no PCF Employees or PCF Creditors.

- 1.4.3.8 The amounts referred to in the table above reflect the best estimate of the anticipated Distribution as at the Publication Date. This may vary depending on whether risks, including but not limited to those contemplated in paragraph 2.20 of this Business Rescue Plan, materialise.
- 1.4.3.9 Once the BRPs pay a final Distribution to Creditors in terms of this Business Rescue Plan all remaining Claims against the Company will be Expunged.

2 PROPOSAL

PART A - BACKGROUND

2.1 Shareholders of the Company

- 2.1.1 The Company is a public company listed on the main board of the JSE, whose shares have been suspended from trading.
- 2.1.2 As at the Publication Date, the issued share capital of the Company comprised 402 091 069 ordinary shares.

2.2 Director of the Company

- 2.2.1 As at the Publication Date, the sole director of the Company, according to the CIPC, is Raoul Gamsu (CEO and Acting CFO).
- 2.2.2 The non-executive directors (Sean Melnick, Roger Hogarth, Trent Hudson, and Judy Nwokedi), resigned from the Board with effect from 5 February 2021.
- 2.2.3 Cristina Teixeira, the former chief financial officer, resigned on 1 October 2020.

2.3 Company Information

Financial Year End	31 August
Registered Business Address	First Floor, 30 Melrose Boulevard, Melrose Arch, Sandton, Gauteng, 2196, South Africa
Postal Address	PO Box 651455, Benmore, 2010
Business Telephone Number	+27 (11) 280 4040
Accountants / Auditors	PricewaterhouseCoopers LLP

2.4 Company Background

2.4.1 The Company operates as a decentralised Pan-African infrastructure and construction investment group, focussing primarily on the energy, electrification, building and oil and gas sectors.

2.4.2 Since the Company's listing on the JSE in 2007, the Company has expanded its service offering through a combination of acquisitive and organic growth initiatives and increased significantly in size and market footprint across the African continent.

2.4.3 The Company itself has no operations, but through its Subsidiaries operates seven primary business units as highlighted below:

2.4.3.1 Conlog – a leading provider of prepaid and smart electronic metering devices and solutions in Africa, from design and manufacturing through to distribution, as well as providing revenue and payment management services. Conlog was founded in 1965 and for over 20 years has specialised in prepaid utility solutions. Operations are based in Durban, South Africa at the Dube Trade Port with satellite offices in Lagos, Nigeria and Johannesburg, South Africa. Conlog has a global footprint with a base of over 12 million smart meters and prepaid solutions services offered to over 80 utility and municipal bodies and provides access to power to more than 50 million households.

2.4.3.2 CBM – consists of the following two businesses, namely Drift Supersand and West End Clay Bricks, both operating primarily in Gauteng. Drift Supersand operates two opencast mines (Drift SuperSand and Drift Laezonia) producing sand, stone and rock for the building and construction industry which are low cost quarries in Gauteng. West End Clay Bricks manufactures concrete roof tiles, face, semi-face and plaster clay bricks.

- 2.4.3.3 AES – a waste disposal service provider to the Angolan oil and gas industry. The primary revenue stream is from thermal desorption treatment of waste through incineration and rental of cargo carrying units. AES is based in Angola, with operations in the areas of Luanda and Soyo.
- 2.4.3.4 CIGenCo – operates as an IPP developer in partnership with other entities. Primary operations involve development, facilitation of investments in, and oversight of the operations of renewable utility scale IPPs, captive generation and co-generation projects across Sub Saharan Africa. CIGenCo has leveraged its power production and distribution network and expertise to secure a track record of successfully developed small scale IPPs, primarily its Ejuva projects located in Namibia. CIGenCo offices are based in Mauritius.
- 2.4.3.5 Tractionel – established in 1982 and is the leading railway electrification company operating primarily in South Africa. Tractionel has been responsible for the construction and maintenance of Gautrain’s overhead contact distribution system since inception in 2010 as well as several other private sidings. Tractionel is based in Johannesburg, South Africa with regional offices in Cape Town, Durban and Kathu.
- 2.4.3.6 CPM – specialises in the operation and maintenance of renewable energy projects. Its service offering encompasses all aspects of site operations, including full plant management, scheduled and unscheduled maintenance and more advanced interrogations of inverters, control systems, supervisory control as well as data acquisition. CPM is based in Midrand, Gauteng, South Africa and operates in Southern Africa.
- 2.4.3.7 Conco Group – a specialist construction company focusing on large scale renewable energy and electrification projects. Please see the Conco business rescue plan for more detailed information in relation thereto.

2.5 **Events which led to the Company commencing Business Rescue**

- 2.5.1 Whilst the Company holds interests in a number of high-quality assets, the Company and a number of its Subsidiaries have come under increasing financial pressure in recent periods which has resulted in the Company's financial position deteriorating significantly. The Company and Group’s collective poor financial and operational performance over a number of years is primarily attributable to, *inter alia*, the following reasons –

2.5.2 **Under-performance of Conco Group and certain other Subsidiaries:**

- 2.5.2.1 Subsidiaries experienced continued margin erosion coupled with significant economic pressure within their relevant markets;
- 2.5.2.2 operational penalties and liquidated damages were incurred by such Subsidiaries for failing to deliver on set project-related target dates;
- 2.5.2.3 Subsidiaries failed to achieve budgeted revenues and margins;
- 2.5.2.4 cash outflows versus inflows (substantially funded from the Company) in such Subsidiaries diverged materially;
- 2.5.2.5 poor collections from local and foreign debtors by such Subsidiaries exacerbated the adverse financial position of the Company;
- 2.5.2.6 there was constrained access to performance guarantees for new Projects in such Subsidiaries, impacting the securing of new projects (and revenue);
- 2.5.2.7 significant overhead costs were incurred, including a well remunerated group workforce which was retained to ensure the retention of key skills and infrastructure in anticipation of the Government's energy development plans for renewable energy projects, which did not meet expectations; and
- 2.5.2.8 all of the above collectively resulted in material negative cashflows for the Company, and a material deterioration in the value of the Subsidiaries.

2.5.3 **Parental Guarantees:**

- 2.5.3.1 Conco Group and other Subsidiaries required substantial Shareholder loans and external financing in order to continue operating;
- 2.5.3.2 the Company issued multiple Parental Guarantees in favour of the Parental Guarantee Holders to secure the obligations of its Subsidiaries;
- 2.5.3.3 Conco (a wholly owned subsidiary of Conco Group) itself is in business rescue, which in turn has exposed the Company to the obligations, secured by the Parental Guarantees, crystallising;
- 2.5.3.4 the full extent of the Parental Guarantees exposure to Conco Group amounts to an estimated R2.4 billion as set out in the list of creditors contained in Annexure E; and

2.5.3.5 the Parental Guarantees claims estimated between R1.7 billion (high scenario) and R2.4 billion (low scenario) with the exact quantum not being known until the Conco business rescue proceedings near or reach completion.

2.5.4 **Company Indebtedness:**

2.5.4.1 The Company has its own significant debt burden which includes, as at 31 March 2021, the sums of R321.6 million due to Helios Fairfax and R802.2 million due to the Noteholders. Both these debt obligations accrue interest and were repayable prior to the commencement of Business Rescue;

2.5.4.2 the Company is in a position where it is overleveraged, and due to its liquidity constraints is unable to pay the interest and capital portions of the various debts as they become due and payable; and

2.5.4.3 the interest portion on both the Helios Fairfax and Noteholder loans are not currently being paid but the interest will continue to accrue.

2.5.5 The Company's constrained financial position and Parental Guarantee exposure was exacerbated by the unprecedented economic effects of the COVID-19 pandemic and the nationwide lock-down ordered by the President of the Republic of South Africa on Monday, 23 March 2020, in terms of the Disaster Management Act 57 of 2002 and the regulations promulgated thereunder, which also severely limited the ability of the Subsidiaries to operate effectively.

2.5.6 As at 30 September 2020, the Company had incurred a cumulative loss of R3.1 billion.

2.5.7 Notwithstanding the good performance of some of the Subsidiaries, the combined negative impact of the under-performance of Conco Group and certain other Subsidiaries, the crystallising of certain issued Parental Guarantees (which have now become obligations of the Company), the Company's own indebtedness and the effects of the COVID-19 pandemic on both the Company and its Subsidiaries, resulted in the Company falling into Financial Distress – it is unable to meet all of its obligations as they become due and payable – and the realisable value of its assets is materially lower than that of its actual and contingent obligations.

2.5.8 The Board passed a resolution to place the Company in Business Rescue on the Commencement Date and the BRPs were appointed on 11 November 2020.

2.6 Aims and objectives of Business Rescue

- 2.6.1 Business Rescue aims to facilitate the rehabilitation of a company that is Financially Distressed by providing for –
- 2.6.1.1 the temporary supervision of the company by the BRPs, and the management of its affairs, business, and property by the BRPs;
 - 2.6.1.2 a temporary moratorium on the rights of claimants against a company or in respect of property in its possession; and
 - 2.6.1.3 the development and implementation of a business rescue plan which has as its aim either, or both –
 - 2.6.1.3.1 the rescue of the company by restructuring its affairs, business, property, debt and other liabilities, and equity in a manner that maximises the likelihood of the company continuing in existence on a solvent basis; and/or
 - 2.6.1.3.2 achieving a better return for the Company's Creditors or Shareholders than would result from the immediate liquidation of the company.
- 2.6.2 The BRPs are of the view that by adopting this Business Rescue Plan and subsequently implementing it, that there is a reasonable prospect that the Business Rescue of the Company is likely to meet the requirement of section 128 (1)(b)(iii) of the Companies Act by achieving a better return for the company's creditors and/or Shareholders than would result from the immediate liquidation of the company.

2.7 Business Rescue events

The salient dates pertaining to the Business Rescue of the Company are set out below:

BUSINESS RESCUE EVENT	DATE
The resignation of the chief financial officer, Cristina Teixeira	1 October 2020
Board Resolution	9 November 2020
Commencement of Business Rescue	
Appointment of the BRPs	11 November 2020
Notice to Affected Persons about the commencement of Business Rescue and the appointment of the BRPs	13 November 2020

First statutory meeting of Creditors	23 November 2020
First statutory meeting of Employees	
Request for an extension of the date to publish the Business Rescue Plan	
Confirmation of extension of the date to publish the Business Rescue Plan to 19 April 2021	27 November 2020
Creditors' Meetings - in terms of section 143 of the Companies Act to vote on the BRPs' remuneration agreement.	28 January 2021
The resignation of the non-executive directors, Sean Melnick, Roger Hogarth, Trent Hudson, and Judy Nwokedi	5 February 2021
General notice to Affected Persons published in the Beeld and The Star	12 February 2021
Shareholders' meeting - in terms of section 143 of the Companies Act to vote on the BRPs' remuneration agreement	24 February 2021
Notice in terms of section 145(5)(c) of the Companies Act	18 March 2021
Publication of the Business Rescue Plan	19 April 2021
Receipt of Proxies:	
Delivery by Hand	28 April 2021
Email	29 April 2021
Meeting to consider the Business Rescue Plan	30 April 2021
* All notices that have been circulated to Affected Persons of the Company can be obtained from the Company's website at www.ciglimited.co.za under the Business Rescue tab.	

2.8 Steps taken since the appointment of the BRPs

2.8.1 Suspension of Trading in Shares

- 2.8.1.1 The BRPs made a request to the JSE to voluntarily suspend the trading of shares in the Company on the JSE, which was approved by the JSE on 25 November 2020. A SENS announcement was published informing Shareholders of the JSE's approval of this request. As at Publication Date, trading remains suspended.

2.8.2 Management Control

- 2.8.2.1 In terms of section 140(1)(a) of the Companies Act, the BRPs took full management control of the Company since their appointment and delegated certain functions to Management in terms of section 140(1)(b) of the Companies Act.

2.8.3 **Sale of Major Assets**

2.8.3.1 The BRPs have appointed corporate financiers and advisors to embark on the sale of the following business units:

2.8.3.1.1 Conlog: the sale of the Conlog SA is being conducted in co-operation with Helios Fairfax, a Secured Creditor, and the proceeds will be applied as set out in section 134(3) of the Companies Act;

2.8.3.1.2 CBM; and

2.8.3.1.3 AES.

2.8.4 **Sale of Smaller Assets**

2.8.4.1 The BRPs have continued with or initiated or concluded sales processes together with Management, in respect of the following business units (or parts thereof):

2.8.4.1.1 CIGenCo: Given that the CIGenCo business unit requires continuous funding, it was determined to dispose of such business unit in as short a timeframe as possible. The Ejuva assets (CIGenCo SA) transaction was originally announced on the JSE through SENS during October 2020. The transaction was finally completed in April 2021. The remaining assets within the CIGenCo business unit are currently being reviewed to determine the most appropriate course of action.

2.8.4.1.2 Tractionel: Given that Tractionel required material short-term funding, it was determined to dispose of such business unit in as short a timeframe as possible. A sale agreement for the sale of the Tractionel business unit was signed in February 2021 with ENZA Construction as announced on the JSE through SENS during February 2021. Such sale is expected to close in April 2021.

2.8.4.1.3 CPM: Given that CPM is likely to require additional funding in the near term, it was determined to dispose of such business unit in as short a timeframe as possible. A sale agreement for the sale of the CPM business unit was signed in March 2021 with 3Energy Renewables as announced on the JSE through SENS during March 2021. Such sale closed in March 2021.

2.8.5 **Reporting**

2.8.5.1 The BRPs have complied with all statutory obligations in terms of Chapter 6 of the Companies Act and will continue to comply with such statutory obligations.

2.8.6 **Operations/PCF**

2.8.6.1 Since the commencement of Business Rescue the Company has continued to operate on a limited basis. It has been funded from its own cash resources, the receipt of Service Fees from its Subsidiaries and the receipt of sale proceeds from the Ejuva disposal (referred to in 2.8.4.1.1). To date, no PCF has been required by the Company, nor is it currently contemplated that it will be required.

2.8.6.2 In the event that there are unforeseen circumstances that require funding, the Company may provide direct or indirect financial assistance to the Company's Subsidiaries and/or associated companies (where deemed appropriate), which financial assistance may include the provision of loans, the issuance of guarantees (or other similar instruments and/or Securities) and/or the subordination of claims owing to the Company, where such actions would result in a direct or indirect benefit to the Company.

2.8.7 **Extension of the Date for Publication of Business Rescue Plan**

2.8.7.1 In terms of section 150(5) of the Companies Act, the Business Rescue Plan was required to be published on 17 December 2020 (i.e. within 25 Business Days from the date of the appointment of the BRPs). The BRPs obtained approval from the Creditors for an extension of this date to **19 April 2021** in accordance with section 150(5)(b) of the Companies Act.

2.8.8 **Employees**

2.8.8.1 The first statutory meeting of employees, in terms of section 148 of the Act, was convened on 23 November 2020. As there are very few permanent employees of the Company (at the Publication Date there are 5 employees), it was decided that all employees would be members of the employees committee. The BRPs have engaged with the employee committee regarding all matters relating to the employees and their employment, as and when necessary.

2.8.8.2 Employees continue to be employed by the Company on the same terms and conditions of employment as they were prior to the commencement of Business Rescue proceedings, except to the extent that changes occurred in the ordinary course of attrition or if different terms and conditions were agreed to between the employee/s and the Company in accordance with labour law.

2.8.8.3 The BRPs envisage that it will become necessary for the Company to reduce the number of employees during the course of the Business Rescue proceedings. The BRPs propose the Redundancy Plan, as set out below:

2.8.8.3.1 The BRPs will, after an assessment of the Company's operational requirements, commence a consultation process in terms of and as set out in section 189 of the LRA.

2.8.8.3.2 the consultation process will include all employees of the Company, across all occupational levels and categories including, without limitation, any executive directors of the Company in their capacity as employees (if any).

2.8.8.3.3 the section 189 consultation process will commence at a date and time selected by the BRPs in their sole and absolute discretion to optimise the advantages of this process to the affected employees, the Company and the Creditors.

2.8.8.3.4 the section 189 consultation process will continue for a reasonable period of time until such time as the issues for consultation have been ventilated between the Company and affected employees (and their representatives).

2.8.9 **Group Employees**

2.8.9.1 At the Commencement Date there were approximately 1500 employees across the entire group. It is estimated that at the conclusion of the Business Rescue proceedings of the Company, it is estimated that 800 jobs will have been preserved in some form or another across the entire group.

2.8.10 **Creditors**

2.8.10.1 A first statutory meeting of creditors, as contemplated in section 147 of the Act, was convened on 23 November 2020. At this meeting, it was decided that due to the small number of creditors of the Company, all creditors would form a part of the creditors committee and the BRPs would engage with all creditors regarding all creditor-related matters, as and when necessary.

2.8.10.2 The BRPs have kept creditors and all other Affected Persons informed of the developments of the Business Rescue by publishing regular notices and/or status reports to Affected Persons.

2.8.11 **Claims Reconciliation**

- 2.8.11.1 The BRPs have received numerous claim forms. A verification process has been undertaken to reconcile the claim forms received with the amounts reflected in the records of the Company. Further details about are set out in paragraph 2.10, read with Annexure E.

2.8.12 **Contracts**

- 2.8.12.1 Suspension of the Company's Obligations - Section 136(2)(a) of the Companies Act empowers the BRPs to entirely, partially, or conditionally suspend, for the duration of the Business Rescue, any obligation of the Company that arises under an agreement to which the Company was a party at the Commencement Date and would otherwise become due during the Business Rescue. The BRPs reserve their right in this regard. All Company obligations are continuously under review.
- 2.8.12.2 Cancellation of the Company's Obligations – The BRPs have the right, in terms of section 136(2)(b) of the Companies Act, to cancel any obligation of the Company that arises under an agreement to which the Company was a party at the Commencement Date and that would otherwise become due during the Business Rescue on application to the High Court. The BRPs reserve their right in this regard.
- 2.8.12.3 Moratorium - Counterparties to all agreements in which the Company's obligations are suspended or cancelled, are directed to the provisions of section 133 of the Companies Act. Should a Claim be submitted to the BRPs as a result of any such suggestion or cancellation, such party is to submit the Claim for damages as a Disputed Creditor and to follow the Dispute Mechanism set out in paragraph 3.2.

2.8.13 **Engagement with the Significant Creditors**

- 2.8.13.1 The BRPs have engaged extensively with the Significant Creditors and obtained agreement regarding the following:
- 2.8.13.1.1 The Company is to continue funding its working capital requirements from existing cash resources, Service Fees and the proceeds arising from the future sale of Subsidiaries, taking account of Secured Creditors' claims, and other assets.

2.8.13.1.2 The abovementioned cash resources may be used by Company to pay all the costs of Business Rescue and to cater for the funding of the potential winding down of the Company should the BRPs decide to do this.

2.8.14 **Engagement with Shareholders**

2.8.14.1 To the extent required, the BRPs have consulted and engaged with certain of the Company's largest Shareholders, who collectively hold a majority of the Company's issued shares. In addition, information has been published on SENS and on the Company's website.

2.8.15 **Cost Reduction Initiatives**

2.8.15.1 Since appointment, the BRPs have made ongoing efforts to reduce the Company's operating costs, wherever possible and, in this regard, will endeavour to implement the section 189 retrenchment process in terms of the LRA referred to in paragraph 2.8.8.3 above.

2.8.16 **Cash Management**

2.8.16.1 In order to minimise the operating expenses of the Company, the BRPs continue to monitor the cash flow and financial position of the Company, control payments and enforce general controls.

2.9 **Material assets and security (Section 150(2)(a)(i)):**

2.9.1 A list of the material assets of the Company as at 31 October 2020 is set out in Annexure A.

2.9.2 Pursuant to a cession and pledge agreement in favour of Helios Fairfax dated 18 May 2018, the shares held by the Company in Conlog SA have been ceded to Helios Fairfax for the indebtedness of the Company to Helios Fairfax, who is regarded as a Secured Creditor.

2.10 **Creditors of the Company (Section 150(2)(a)(ii)):**

2.10.1 The BRPs accept the Company records as being correct unless a Person with a Claim can prove otherwise.

2.10.2 Claims that are not reflected in Annexure E of this Business Rescue Plan will be regarded as Disputed Claims, and Disputed Creditors will only be allowed a voting interest at the Meeting as determined by the BRPs in their sole discretion. Any such allowance shall be without prejudice to the Company's and/or the BRPs rights to dispute the Disputed Claim,

which will be dealt with in accordance with the Dispute Mechanism contemplated in paragraphs 2.11.2 and 3.2.

- 2.10.3 The Claims that the BRPs have accepted, in whole or in part, are set out in Annexure E. A summary of the various creditor classes of the Company as at the Commencement Date is reflected in Table 2 hereunder:

Table 2: Summary of the Various Classes of Creditors of the Company as at 31 October 2020

CREDITOR TYPE	CREDITOR CATEGORY	ACCEPTED/ PROVEN CLAIM (R'm)
Non-Independent Secured Creditor	Shareholder Loan (Helios Fairfax)	298
PCF Employees	N/A	0
PCF Creditors	N/A	0
Preferent Creditors	N/A	0
Preferent Employees	N/A	0
Independent Unsecured Creditors	Noteholders, Parental Guarantee Holders; 3 rd party trade creditors	3 154
Non-Independent Unsecured Creditors	Inter-Company Loans	288
TOTAL		3 740

- 2.10.4 All Affected Persons who believe that they have a Claim against the Company are referred to Annexure E and should treat the amounts reflected therein as the BRPs' notification of the Claims that have been accepted as Creditors by the BRPs for the purpose of this Business Rescue Plan.
- 2.10.5 If any Person is in disagreement with the information provided in Annexure E, either in terms of the quantum shown, or the classification of the Claim in question, or any omission from the Annexure (such Person being a Disputed Creditor) such Person should utilise the Dispute Mechanism set out in paragraph 3.2.
- 2.10.6 Following the Adoption of this Business Rescue Plan, and the payment of the Distribution/s, all Claims will be Expunged in accordance with the provisions of this Business Rescue Plan. For the avoidance of doubt all Claims of whatsoever nature and from whatsoever cause arising, including actual, contingent, or prospective claims as well as conditional or unconditional, liquidated, or unliquidated, assessed or unassessed Claims which arose either before or after the Commencement Date, will be Expunged.

2.11 Voting interests and voting by proxy

2.11.1 Voting Interests

2.11.1.1 In accordance with section 145(4) of the Companies Act, a Creditor is entitled to vote as follows –

2.11.1.1.1 a Secured Creditor or Unsecured Creditor has a voting interest equal to the value of the amount owed to that Creditor by the Company; and

2.11.1.1.2 an Unsecured Creditor who would be subordinated in a liquidation has a voting interest, as independently and expertly appraised and valued at the request of the BRPs, equal to the amount, if any, that the Creditor could reasonably expect to receive on a liquidation of such company as set out in section 145(4)(b) of the Companies Act.

2.11.2 All Creditors

2.11.2.1 All Creditors will be entitled to vote the recognised value of their Claim as set out in Annexure E in respect of any vote conducted at the Meeting.

2.11.2.2 Disputed Creditors will be allowed a voting interest at the Meeting as determined by the BRPs in their sole discretion and any such determination shall be without prejudice to the Company's rights to dispute the Claim.

2.11.2.3 Disputed Creditors are invited to apply for a change in their voting interest (relative to Annexure E **up to 24 hours before the Meeting**). Any agreement concluded with the BRPs to amend a disputed Creditor's voting interest shall not be construed as an acceptance of the quantum of such claim, such determination being for the purpose of determining voting interests at the Meeting. Disputed Creditors will still be required to follow the Dispute Mechanism contained in paragraph 3.2 below.

2.11.3 Non-Independent Creditors

2.11.3.1 In accordance with sections 145(5)(a) and 145(5)(c) of the Companies Act, the BRPs are required to determine whether a Creditor is independent for purposes of the Business Rescue.

2.11.3.2 For purposes of this Business Rescue Plan, the BRPs have determined that all Creditors, with the exception of HFP South Africa Investments Proprietary Limited and the Subsidiaries, are independent and will be counted as such for

purposes of any votes cast at the Meeting and in respect of this Business Rescue Plan.

2.11.4 **Shareholders**

2.11.4.1 In accordance with section 146(d) of the Companies Act, a Shareholder is entitled to vote on a Business Rescue Plan if the Business Rescue Plan alters the rights associated with the class of Securities held by that Securities holder.

2.11.4.2 This Business Rescue Plan does not alter the rights associated with any Securities, and/or class of Securities, held by Securities holders (which include Shareholders) and accordingly such Securities holders (which include Shareholders) are not required to, nor entitled to vote, on this Business Rescue Plan.

2.11.5 **Vote by Proxy**

2.11.5.1 Voting by proxy is permitted. A proxy form is enclosed as **Annexure F**.

2.11.5.2 Notwithstanding these forms, the BRPs have the discretion to accept any proxy submitted, no matter its form.

2.11.5.3 The proxy forms must include an appropriate resolution (for a juristic entity or trust) or power of attorney (for an individual) giving such representative the authority to attend and vote at the meeting on behalf of the juristic person, trust or individual.

2.11.5.4 Affected Persons who are voting by proxy are required to lodge each or any of their proxy forms by no later than **17h00 on Tuesday, 28 April 2021** or if by email, by no later than **17h00 on Wednesday, 29 April 2021**.

2.12 **Liquidation Estimated Outcome Statement (Section 150(2)(a)(iii)):**

2.12.1 The BRPs engaged Deloitte as an independent expert to calculate the probable dividend that Creditors would receive if the Company were placed in liquidation as at the Commencement Date.

2.12.2 A summary of the Deloitte findings is that the probable dividend per Creditor class is as reflected in Table 3 below:

Table 3: Liquidation Dividend per Class of Creditor

CLASS OF CREDITOR	LIQUIDATION (LOW)	LIQUIDATION (HIGH)
Secured Creditors	0.0 cents in the Rand	100 cents in the Rand
Preferent Creditors	100 cents in the Rand	100 cents in the Rand
Concurrent Creditors	2.2 cents in the Rand	8.9 cents in the Rand
Shareholders	0.0 cents in the Rand	0.0 cents in the Rand

2.12.3 The following Disclaimers of Deloitte apply to the Liquidation Estimated Outcome Statement:

- 2.12.3.1 the potential liquidation dividend ("**Output**") may not necessarily meet the Affected Persons' requirements or objectives or address the specific circumstances of the purpose for which access to the Output is required by the Affected Persons;
- 2.12.3.2 the Output does not constitute tax, accounting or legal advice to any Affected Persons and Affected Persons are advised to consult an independent attorney, accountant or any other professional advisor;
- 2.12.3.3 Deloitte shall not be held responsible for any acts or omissions taken by an Affected Persons' reliance on the Output. Any reliance by the Affected Persons on the Output are entirely at the Affected Persons' own risk;
- 2.12.3.4 Deloitte does not warrant or represent that the information set out in the Output is sufficient or appropriate for the purpose for which access to the Output is required by the Affected Persons;
- 2.12.3.5 Deloitte neither owes nor accepts any legal duty to the Affected Persons or the Subject Entity whether in contract or in delict (including without limitation, negligence and breach of statutory duty), or howsoever otherwise arising, and shall not be liable in respect of any loss, damage or expense of whatsoever nature which is caused by the Affected Persons' use of (or conclusions drawn by it) the Output, or upon any representation, statement, judgement, explanation or other information obtained from Deloitte or made in relation thereto; and

2.12.3.6 Deloitte requires that any Creditor requesting a copy of the liquidation estimated outcome statement sign a hold-harmless letter in favour of Deloitte. The liquidation estimated outcome statement, if supplied under a hold harmless letter, will be a redacted version due to the commercial sensitivity of the information contained therein and in order to protect the interests of all creditors.

2.12.4 Affected Persons should further note the above table does not take into account the time value of money.

2.13 **Holders of the Company's issued Securities (Section 150(2)(a)(iv))**

2.13.1 This Business Rescue Plan does not alter the rights of Securities holders as envisaged in section 152(3)(c) of the Companies Act.

2.13.2 As a publicly listed company, the Company has many Shareholders, with many shares held through nominee companies. The BRPs, from their research, believe that the top 10 Shareholders of the Company as per Table 4 below are as follows:

Table 4: Top 10 Shareholders of the Company

SHAREHOLDERS	SHARES	% HOLDING
HFP South Africa Investments Proprietary Limited	202 854 944	51.205%
PGR 2 Investments Proprietary Limited	55 300 920	13.959%
SA Melnick (Former Non-Executive Director)	16 142 950	4.075%
Nala Empowerment Investment Company Proprietary Limited	15 060 112	3.802%
Old Mutual Investment Group Proprietary Limited	13 853 825	3.497%
Metal Industries Benefit Funds Administrators	10 295 894	2.599%
Capricorn Fund Managers	4 798 384	1.211%
RD Gamsu (CEO, CFO & Executive Director)	4 339 455	1.095%
Infranexus Management Proprietary Limited	4 250 644	1.073%
Peresec Prime Brokers Proprietary Limited - Asset Management Arm	3 404 314	0.859%
Other Shareholders	65 857 572	16.624%
TOTAL NON-TREASURY ORDINARY SHARES	396 159 014	100%
Treasury Shares	5 932 055	N/A
TOTAL ORDINARY SHARES	402 091 069	

2.14 **BRPs' remuneration (Section 150(2)(a)(v))**

2.14.1 The regulations to the Companies Act prescribe an hourly tariff (inclusive of VAT) for the payment of the fees of a BRP.

- 2.14.2 The Company is classified, in terms of regulation 26(2) read with regulation 127(2)(b)(i) of the Companies Act, as a large company in that it has a public interest score greater than 500 points.
- 2.14.3 The Company's public interest score at the Commencement Date was 3885 points.
- 2.14.4 Accordingly, in terms of regulation 127(5), the Company required the appointment of at least one senior BRP.
- 2.14.5 The remuneration agreement was approved in terms of section 143 of the Companies Act and is final and binding on the Company. It was supported by:
- 2.14.5.1 the holders of a majority of the Creditors' voting interests present and voting at a meeting that was called for the purpose of considering the remuneration agreement, on 28 January 2021; and
- 2.14.5.2 the Shareholders of the Company, on 24 February 2021.
- 2.14.6 A copy of the Remuneration Agreement is enclosed with Annexure G.
- 2.15 **Proposal made informally by Creditors (Section 150(2)(a)(vi))**
- 2.15.1 This Business Rescue Plan does not include any informal proposals made by any Creditor or Affected Person of the Company.

PART B – TERMS OF THE PROPOSAL

2.16 Terms of the Proposal

- 2.16.1 The key aspects of the Proposal are set out in **Annexure C. These form an integral part of the Proposals and should be read in conjunction with this section.**
- 2.16.2 Affected Persons are advised to consult an independent attorney, accountant, or other professional advisor in respect of this Proposal, should they so wish or require.
- 2.16.3 The moratorium pursuant to Section 133 will apply for the duration of the Business Rescue.
- 2.16.4 The extent to which the Company is to be released from the payment of its debts (Section 150(2)(b)(ii)) is dealt with in paragraph 2.10.6 above.
- 2.16.5 Ongoing role of the Company and the treatment of existing contracts (Section 150(2)(b)(iii)) -
- 2.16.5.1 Where the BRPs determine it to be in the best interests of Affected Persons to continue with agreements concluded between Affected Persons and the Company, the agreements have continued.
- 2.16.5.2 Agreements concluded between Affected Persons and the Company, not specifically dealt with in the above paragraph, are subject to ongoing evaluation and negotiations by the BRPs in an effort to mitigate risks and optimise the Distribution/s.
- 2.16.6 The property of the Company that is to be available to pay Creditors' Claims in terms of the Business Rescue Plan (Section 150(2)(b)(iv)) is set out in Annexure A. Ultimately all of the property and/or assets of the Company will be realised for the benefit of the Creditors. It is not anticipated that there will be any remaining material assets upon the substantial implementation of the Business Rescue Plan.
- 2.16.7 The order of preference in which the proceeds of property will be applied as Distributions to creditors (Section 150(2)(b)(v)) will be paid in the following order of priority in terms of the Business Rescue Plan and while the Company is in Business Rescue.
- 2.16.8 The proceeds from Unencumbered Assets and Project cash flows will be Distributed as follows:
- 2.16.8.1 Business Rescue Costs;

- 2.16.8.2 PCF Employees as a result of their employment during Business Rescue (to the extent that they have not been paid for services rendered during Business Rescue); (if applicable)
- 2.16.8.3 Unsecured PCF Creditors, who will rank in the order in which the PCF was provided; (if advanced)
- 2.16.8.4 Preferent Employees; (if applicable)
- 2.16.8.5 Unsecured Creditors (if there is any residual, and if applicable, applied first to capital and thereafter to any interest accrued); and
- 2.16.8.6 Shareholders (if there is any residual).
- 2.16.9 The proceeds from Encumbered Assets will be Distributed as follows:
- 2.16.9.1 A secured PCF Creditor (if PCF were to be provided to the Company) will receive an amount equal to the value of, or the proceeds received from a sale of realisation of the encumbered assets. If the proceeds are insufficient to fully repay such secured PCF Creditor any residual Claim will be treated as an Unsecured PCF Creditor with respect to that residual Claim; and
- 2.16.9.2 A Secured Creditor will receive a Distribution from the proceeds of realisation of the Encumbered Assets up to the value of its Claim. If the proceeds received from the sale or realisation of the Encumbered Assets is less than the value of the Claim, then any residual Claim remaining after the realisation of any security will be treated as an Unsecured Creditor with respect to that residual Claim.
- 2.16.9.3 The expected Distribution to Creditors is set out in Table 5 below.

Table 5: Distribution to Creditors in Business Rescue

CREDITOR PAYMENTS	APPROXIMATE CREDITOR CLAIMS (31/10/2020)	ESTIMATED BUSINESS RESCUE DISTRIBUTIONS	
		LOW	HIGH
	Rm	c/R	c/R
Secured Creditors	298	100	100
Preferent Creditors	N/A	N/A	N/A
Preferent Employees	N/A	N/A	N/A
Unsecured creditors	3 442	13	29
TOTAL	3 740		

- 2.16.9.4 To the extent that agreements concluded between the Company and counterparties and/or obligations are cancelled, modified, suspended or restructured, any Claim for damages will be limited as contemplated in paragraph 2.16.9.5.
- 2.16.9.5 Claims for damages, whether contractual or delictual against the Company, once determined through the Dispute Mechanism paragraph 3.2.2, or by the High Court, or similar proceedings, as the BRPs may consent to, will be treated as follows:
- 2.16.9.5.1 as an Unsecured Creditor, unless the Creditor holds security for such Claim;
- 2.16.9.5.2 shall be limited to general damages as determined through the Dispute Mechanism or by the High Court or similar proceedings as the BRPs may in their sole discretion consent to. For purposes hereof, general damages are those which, on an objective basis, would be reasonably foreseeable at the time of entering into the relevant contract as a probable consequence of, and with a sufficiently close connection to, any breach by the Company of an agreement so as to be said to flow naturally and generally and not to be too remote; and
- 2.16.9.5.3 shall exclude all indirect, punitive, special, incidental, or consequential loss, including injury to business reputation, loss of profits and/or loss of business opportunities.
- 2.16.9.6 Upon Adoption of this Business Rescue Plan and a final Distribution being paid in accordance with this Business Rescue Plan, all remaining Claims will be Expunged in full.
- 2.16.9.7 For the avoidance of doubt, any past or prospective claim which SARS may have against the Company in respect of any Tax, amongst other things, under section 22(3) of the Value Added Tax Act 89 of 1991, or in respect of an audit under the Tax Administration Act 28 of 2011 for any year of assessment preceding the Substantial Implementation Date, or otherwise, will be Expunged under and in terms of this Business Rescue Plan without the need for any application to be made to SARS for a permanent write off of such amounts. In respect of any claim for VAT, SARS has been recognised as an Unsecured Creditor in the Business Rescue and will be entitled to the same cents in the Rand Distribution as all other Unsecured Creditors. Any other known SARS

Claims will be treated as an Unsecured Creditor in this Business Rescue Plan. As a result of the Adoption of this Business Rescue Plan SARS will no longer be entitled to initiate and/or take any recovery steps to collect Tax debt compromised and/or Expunged pursuant to this Business Rescue Plan.

2.16.9.8 Any penalty interest and/or other penalties of any nature whatsoever which any Creditor (including without limitation SARS) may be entitled to levy against the Company are waived by the relevant Creditor upon Adoption of this Business Rescue Plan.

2.16.9.9 For the avoidance of doubt, upon payment of a final Distribution in terms of this Business Rescue Plan, the remaining Claims will have been Expunged and no person will be entitled to enforce the balance of its Claim, or any portion of its Claim, against the Company.

2.16.9.10 After payment of the final Distribution the BRPs may, in their sole discretion: return the Company to its Director/s once a notice of substantial implementation has been filed with the CIPC; or they may apply for the Company's deregistration; or they may apply for the Company's provisional or final liquidation.

2.16.10 **Effect on Employees (Section 150(2)(c)(ii))**

2.16.10.1 Following the Adoption of the Business Rescue Plan, employees will continue to be employed on the same terms and conditions as they were prior to the Commencement Date. The implementation of the Business Rescue Plan is intended to facilitate the continued employment, for an appropriate period, of employees critical and relevant to the reducing operational requirements of the Company and the implementation of the Business Rescue Plan. A section 189 retrenchment process in terms of the LRA and in terms of paragraph 2.8.8.3 above, will be initiated by the Company at the appropriate time and will, ultimately, involve all employees.

2.16.11 **Effect on Director/s and Management**

2.16.11.1 Management continues to work with the BRPs as set out herein and is receiving their ordinary remuneration. The BRPs may add or remove directors from the Company's board or from its Subsidiaries (in terms of its rights as Shareholder) at their sole and absolute discretion.

2.16.12 **Effect on Subsidiaries of the CIG Group**

- 2.16.12.1 Subsidiaries of the Company that are not subject to the Conco business rescue plan will continue to operate in the ordinary course of business. Where applicable, they may be restructured, wound up, sold, deregistered and or liquidated so as to limit the exposure of the Company under the Parental Guarantees and/or to optimise value realisations when and if appropriate.

2.17 **Binding nature of this Business Rescue Plan**

- 2.17.1 The BRPs draw the attention of Affected Persons to the provisions of section 154(2) of the Companies Act.
- 2.17.2 This section provides that once a Business Rescue Plan has been Adopted, it is binding on the Company, its Creditors (including all Claims, whether accepted by the BRPs as Creditors, whether Disputed Creditors, conditional Claims, prospective Claims, damages Claims and/or unliquidated Claims) and every holder of the Company's Securities (the latter in terms of the provisions of section 146(d) and 152(3)(c) of the Companies Act) whether or not such a Person was –
- 2.17.2.1 present at the Meeting to determine the future of the Company;
- 2.17.2.2 voted in favour of the Adoption of the Business Rescue Plan; or
- 2.17.2.3 in the case of Creditors, has proven a Claim against the Company.

2.18 **Moratorium (Section 150(2)(b)(i))**

- 2.18.1.1 The moratorium imposed by section 133 of the Companies Act prohibits any legal proceedings, including enforcement action, against the Company, or in relation to any property belonging to the Company or lawfully in its possession, from being commenced or proceeded with for the duration of the Business Rescue except with the written consent of the BRPs or with the leave of the High Court.
- 2.18.1.2 This means, among other things, that Affected Persons will not be able to proceed in any forum against the Company for, among other things, the non-payment of Claims during Business Rescue, except with the written consent of the BRPs or with the leave of the High Court.

2.18.1.3 The moratorium in relation to the Company took effect on the Commencement Date and will remain in place until the termination of Business Rescue as defined in paragraph 2.21.

2.19 **Benefits of Adopting the Business Rescue Plan compared to liquidation (Section 150(2)(b)(vi))**

2.19.1 Through the implementation of this Business Rescue Plan the BRPs intend to optimise the returns for Creditors by:

2.19.1.1 continuing to operate on a limited basis in a manner which is beneficial to the Company, from its own cash resources, and endeavouring to collect relevant Service Fees;

2.19.1.2 the disposal of Subsidiaries of the Company and other assets through controlled sale processes to ensure where possible that value is optimised;

2.19.1.3 the restructuring of the relevant Subsidiaries to limit the exposure under the Parental Guarantees;

2.19.1.4 managing and reducing operating costs;

2.19.1.5 delisting the Company; and

2.19.1.6 closing the remaining portions of the operations of the Company and its Subsidiaries in the most cost-effective manner.

2.19.2 The implementation of the Business Rescue of the Company is intended to meet the requirement of paragraph 2.19.1 above.

2.19.3 The financial benefits to Affected Persons of Adopting the Business Rescue Plan compared to a liquidation are as follows –

2.19.3.1 The dividends that Creditors, in aggregate, are estimated to have received in the event of a liquidation of the Company as at the Commencement Date would be significantly lower than the Distributions that are anticipated to be received by those Creditors as a result of the implementation of this Business Rescue Plan.

2.19.3.2 Typically a business rescue is anticipated to be concluded in a far shorter time frame than a liquidation.

- 2.19.3.3 Whilst employees continue to be employed by the Company, they will be entitled to their salaries and other benefits.
- 2.19.3.4 If and when employees are retrenched, in terms of the section 189 retrenchment process in terms of the LRA referred to in paragraph 2.8.8.3 above, they will be entitled to their full retrenchment packages.
- 2.19.3.5 In a liquidation, employees would be entitled to receive a approximately R30 000 per employee, to the extent that there are funds available, and would be treated as an Unsecured Creditor for any balance. Employees would only receive payment once the final liquidation and distribution account has been approved at the end of the liquidation process.
- 2.19.3.6 In the event of a liquidation, all jobs within the Company would be lost immediately unless the liquidator agrees to continue trading against an indemnity. In the current circumstances, it is highly unlikely that a liquidator would agree to continue trading or that a liquidator would be indemnified against trading losses.
- 2.19.3.7 By controlling the sale of assets, the collection of Service Fees, and managing the Company's costs, the BRPs anticipate being able to enhance the cash flows of the Company for the purpose of the Proposal/s. A liquidator would only consider continuing to trade if he/she received an indemnity to cover him/her for any losses in trading. Given the circumstances, it is highly unlikely that this would happen. As a result, the liquidator would in all likelihood proceed with a fire sale of the Company's assets, realising lower values for the benefit of Creditors.

2.20 Risks of the Business Rescue Plan:

- 2.20.1 The implementation of the Proposal/s contained in this Business Rescue Plan is subject to factors potentially not known to the BRPs as at the Publication Date. The following risks should be borne in mind, as they may adversely impact the ultimate outcome of the implementation of this Business Rescue Plan:
- 2.20.1.1 **General:**
- 2.20.1.1.1 Unforeseen litigation of any nature whatsoever, howsoever arising, from any cause of action whatsoever;
- 2.20.1.1.2 Any changes in legislation that impact the Business Rescue.

- 2.20.1.1.3 Any challenges to this Business Rescue Plan, the rejection thereof or any amendments thereto;
- 2.20.1.1.4 Any regulatory challenges of any nature whatsoever, howsoever arising as well as any consequential statutory liability;
- 2.20.1.1.5 The ability to effect the flow of funds between international jurisdictions and legal entities into South Africa in order to make Distributions to Creditors;
- 2.20.1.1.6 Any unforeseen circumstances, outside of the control of the BRPs, of any nature whatsoever, howsoever arising, that impact the Business Rescue;
- 2.20.1.1.7 Any damages or penalties claimed against the Company which cannot be compromised or were unforeseen;
- 2.20.1.1.8 The retrenchment processes taking longer than expected;
- 2.20.1.1.9 Any labour action arising as a result of the retrenchment process or Business Rescue;
- 2.20.1.1.10 The legal revocation of support from any Affected Person/s and/or service providers;
- 2.20.1.1.11 Unexpected liquidity events, with no access to potential PCF or delays thereto;
- 2.20.1.1.12 The final verification and agreement of Claims taking longer than expected.
- 2.20.1.1.13 Material discrepancies in the information made available to the BRPs by Management;
- 2.20.1.1.14 Incomplete, inaccurate accounting records of the Company and inadequate supporting information;
- 2.20.1.1.15 The deterioration and worsening of market conditions, in particular in relation to the ongoing COVID-19 crisis;
- 2.20.1.1.16 Any events and outcomes that may lead to the discovery of fraud, misrepresentation, corrupt practices, or other such matters relating to the Company prior to the implementation of the Business Rescue Plan;

- 2.20.1.1.17 The variation in the exchange rates affecting the Business Rescue;
- 2.20.1.1.18 Ambiguous and untested provisions in the Companies Act which are subject to varied interpretation;
- 2.20.1.1.19 Adverse judgements or rulings which may have the effect of reducing cash flow available for the Distribution/s, given that the estimated Distribution/s have been calculated on the basis that the Company's legal interests are preserved in terms of section 134(1)(c) of the Companies Act;
- 2.20.1.1.20 COVID-19 related restrictions and delays and associated financial and/or other implications; and / or
- 2.20.1.1.21 Any major variations to the Business Rescue of Conco together with the resultant effect on the Parental Guarantees liability of the Company.
- 2.20.1.2 **Realisation of value from assets:**
- 2.20.1.2.1 Delays in implementing the realization of value of assets identified for sale, whether because of protracted negotiations, regulatory consents required and/or implementation practicalities;
- 2.20.1.2.2 The expected realisation of value from assets identified for sale differing materially from the actual values realised; and
- 2.20.1.2.3 The asset registers differing materially from the actual assets on hand thus reducing the proceeds received on the sale of such assets.

PART C – ASSUMPTIONS AND CONDITIONS OF PROPOSAL

2.21 Termination of Business Rescue (Section 150(2)(c)(iii)):

2.21.1 The Business Rescue will end:

- 2.21.1.1 if the Business Rescue Plan is proposed and rejected, and no Affected Person/s or the BRPs act in any manner contemplated by the Companies Act to propose an amended Business Rescue Plan;
- 2.21.1.2 if this Business Rescue Plan is Adopted and implemented and the BRPs have filed a notice of substantial implementation of the Business Rescue Plan with the CIPC;
- 2.21.1.3 if the BRPs make application to the High Court to terminate the Business Rescue; or
- 2.21.1.4 if a High Court orders the conversion of the Business Rescue into a liquidation.

2.22 Substantial Implementation (Section 150(2)(c)(i)(bb)):

- 2.22.1 Substantial Implementation will be deemed to have occurred upon the BRPs deciding, in their sole discretion, that the following has taken place:
 - 2.22.1.1 the assets identified for sale and other assets have been substantially realised to the satisfaction of the BRPs;
 - 2.22.1.2 final Distributions have been paid to Creditors and/or an appropriate mechanism has been put in place for the payment of any remaining Distributions to Creditors to the satisfaction of the BRPs; and
 - 2.22.1.3 all Business Rescue Costs have been paid and settled in full and provided for to ensure that sufficient funds are available to cater for the costs which may have to be incurred by the erstwhile BRPs after termination of the Business Rescue, and any costs as may be related to the delisting of the Company.
- 2.22.2 Notwithstanding the above, the substantial implementation of this Business Rescue will remain within the sole and reasonable discretion of the BRPs.

2.23 **Projected Balance Sheet and Projected Income Statement (Section 150(2)(c)(iv)):**

- 2.23.1 The projected balance sheet for the Company is not provided as it will be meaningless as all assets would have been sold and all liabilities settled or Expunged, therefore as at the Substantial Implementation Date, the balance sheet will show zero net assets.
- 2.23.2 The projected statement of income and expenditure for the Company for the ensuing three years is included in Annexure D.
- 2.23.3 In compliance with section 150(3)(a) of the Companies Act, the projected statement of income and expenses in Annexure D was modelled on the assumptions set out in that annexure.
- 2.23.4 The Business Rescue Plan does not include alternative projections based on varying assumptions and contingencies.

3 ADMINISTRATIVE MATTERS

3.1 Existing litigation or alternate dispute resolution proceedings:

- 3.1.1 As at the Publication Date, there are no known Company litigation matters, notwithstanding that certain Subsidiaries are themselves involved with litigation.
- 3.1.2 Save as is otherwise provided for in this Business Rescue Plan and/or the Companies Act, all Affected Persons who may have instituted legal proceedings (unknown to the BRP's), including any enforcement action, in respect of any Claims against the Company in any forum will be required to submit a Claim for consideration by the BRPs in accordance with the provisions of this Business Rescue Plan.
- 3.1.3 The BRPs shall be entitled to institute any proceedings against any Affected Person in any forum (and will not be subject to the Dispute Mechanism in paragraph 3.2 below) for any purpose, including recovering money that is due to the Company or preventing Affected Persons from delaying the implementation of the Business Rescue Plan or bringing any application to liquidate the Company.

3.2 Dispute Mechanism:

- 3.2.1 Subject to paragraph 3.1, and save as provided for in section 133 of the Companies Act, the Disputed Claims of all Disputed Creditors must be resolved in accordance with the Dispute Mechanism outlined below. Even in circumstances where an agreement stipulates how a Disputed Claim must be resolved, Disputed Creditors and the Company are encouraged, and may elect and agree in writing, to resolve Disputed Claims and the Company's counterclaims, if any, through the Dispute Mechanism.
- 3.2.2 The Dispute Mechanism procedure will be as follows:
- 3.2.2.1 All Disputed Creditors are to refer to Annexure E in relation to their claims and if not in agreement with the relevant quantum displayed, they are required to contact the BRPs at business.rescue@ciglimited.com **within 30 days of the Meeting** in order to register their disagreement.
- 3.2.2.2 If the Disputed Creditor does not avail itself of this opportunity within this time period allowed, then the Disputed Creditor shall be deemed to have abandoned its Claim and will not, in terms with section 154 of the Companies Act, be entitled to enforce, at a later date, any Claim that that it believes it has against

the Company other than in terms of Annexure E and the terms of this Business Rescue Plan.

- 3.2.2.3 The claimant must endeavour to reach agreement with the BRPs on the Disputed Claim within the ensuing 15 days or such longer period as the BRPs may allow.
- 3.2.2.4 If the Disputed Claim is not resolved in accordance with paragraph 3.2.2.4, the BRPs will notify the Disputed Creditor accordingly and the date of this notification will be known as the Rejection Date.
- 3.2.2.5 The Disputed Creditor will be afforded seven days from the Rejection Date to agree with the BRPs on a Calculation Expert to preside over the dispute, and which expert shall be a senior counsel with no less than 12 years' experience.
- 3.2.2.6 Should the Disputed Creditor and the BRPs be unable to agree on a Calculation Expert, then the matter may, within three days from the expiry of the aforementioned seven-day period, be referred by the Disputed Creditor to AFSA for the appointment of a Calculation Expert, and which expert shall be a senior counsel with no less than 12 years' experience. Should the Disputed Creditor fail to request AFSA to appoint a Calculation Expert within the three-day period allowed, then the Disputed Creditor shall be deemed to have abandoned its Claim and will not thereafter be entitled to make such a request and will accordingly not, in terms with section 154 of the Companies Act, be able to enforce any further Claim (beyond that accepted in Annexure E) that the creditor believes is owed to it by the Company.
- 3.2.2.7 To the extent that the Calculation Expert, as nominated, refuses to act or is not available to act, the Disputed Creditor must within three days of receiving notice of the Calculation Expert's refusal or unavailability, request AFSA to appoint an alternate Calculation Expert, and which expert shall be a senior counsel with no less than 12 years' experience, until one such Calculation Expert is available, and is agreeable to act. Should the Disputed Creditor fail to request AFSA to appoint an alternate Calculation Expert within the three-day period allowed, then the Disputed Creditor shall be deemed to have abandoned its dispute and will not thereafter be entitled, in terms of section 154 of the Companies Act, to enforce any further Claim (beyond that accepted in Annexure E) that that Person believes is owed to it by the Company;

- 3.2.2.8 Notwithstanding a Disputed Creditor's deemed abandonment as aforesaid of its Disputed Claims, the Company may continue to prosecute its claims and/or counterclaims, if any, and may accordingly nominate a senior counsel with no less than 12 years' experience as a Calculation Expert to decide the Company's claim/s;
- 3.2.2.9 The Calculation Expert when nominated and who agrees to accept such appointment shall -
- 3.2.2.9.1 act as an expert and not as an arbitrator;
- 3.2.2.9.2 investigate the disputed Claim/s or matter in such manner as he, in his sole discretion, considers appropriate acting reasonably;
- 3.2.2.9.3 call on the Disputed Creditor and the BRPs to make written representations in regard thereto and the party making such representations shall furnish a copy thereof to the other party; and
- 3.2.2.9.4 be entitled to consult with either or both of the Disputed Creditor or the BRPs or with any other person and to take advice from any third party.
- 3.2.2.10 The Calculation Expert shall submit his determination together with the reasons therefore in writing to the BRPs and Disputed Creditor within 10 days of the date of his appointment, and such determination shall be final and binding on the Company and the Disputed Creditor, save in the event of a manifest error.
- 3.2.2.11 The costs and charges of the Calculation Expert shall be borne by the party which, in the sole discretion of the Calculation Expert, is the appropriate party to bear such costs and charges, provided that the Calculation Expert shall be entitled to direct that the costs and charges be borne by the Disputed Creditor or the BRP in such ratios as the Calculation Expert may determine.
- 3.2.2.12 Should any monetary award be made against the Company, including a costs award, then that award will be treated as an Unsecured Claim in the Business Rescue.
- 3.2.2.13 Notwithstanding anything to the contrary in this paragraph 3.2 or elsewhere in the Business Rescue Plan, the BRPs shall not, in any circumstance, be obliged to prosecute, progress or further the Claim of any Creditor on behalf of that Creditor. The Company may, however, in the discretion of the BRPs continue to prosecute any one of more of its counterclaims.

3.3 Domicilium

- 3.3.1 The BRPs choose domicilium citandi et executandi ("Domicilium") for all purposes relating to the Business Rescue up until the Substantial Implementation Date, including the giving of any notice and the serving of any process, at the physical and e-mail addresses set out in the table below:

Physical address	First Floor, 30 Melrose Boulevard, Melrose Arch, Sandton, Gauteng, 2196, South Africa
E-mail address	business.rescue@ciglimited.com
Attention	Peter van den Steen and Martin Liebenberg

- 3.3.2 The BRPs shall be entitled up until the Substantial Implementation Date, by giving written notice to Affected Persons, to vary their physical Domicilium to any other physical address (not being a post office box or poste restante) and to vary their e-mail Domicilium to any other e-mail address.
- 3.3.3 Any notice given or process served by any Affected Person to the BRPs, which is delivered by hand **between the hours of 09h00 and 17h00** on any Business Day to the BRPs' physical Domicilium for the time being, shall be deemed (unless the contrary is proved by the BRPs) to have been received by the BRPs at the time of delivery.
- 3.3.4 Any notice given or process served by any Affected Person to the BRPs, which is transmitted by e-mail to the BRPs' e-mail Domicilium for the time being, shall be deemed (unless the contrary is proved by the BRPs) to have been received by the BRPs on the Business Day immediately succeeding the date of successful transmission thereof.
- 3.3.5 Any notice or process in terms of, or in connection with, this Business Rescue Plan shall be valid and effective only if in writing and if received or deemed to have been received by the BRPs.
- 3.3.6 For the avoidance of doubt, it is recorded that –
- 3.3.6.1 following the Substantial Implementation Date, the Business Rescue of the Company would have terminated; and
- 3.3.6.2 no notice or process served in terms of this paragraph shall be taken into consideration by the BRPs (unless they in their sole discretion choose to consider such notice or process) on or after the Substantial Implementation Date.

3.4 **Ability to amend the Business Rescue Plan**

- 3.4.1 The BRPs may, in their sole and absolute discretion, amend, modify, or vary any provision of this Business Rescue Plan after it has been Adopted, provided that –
- 3.4.1.1 any such amendment, modification or variation will not be materially prejudicial to any Affected Person;
- 3.4.1.2 in the event that such amendment would be materially prejudicial to any Affected Person, such amendment, modification, or variation will require approval by the relevant Affected Person/s, as the case may be, in terms of paragraph 3.4.3 and upon such approval, the amendment will be binding on all Affected Persons; and
- 3.4.1.3 at all times the BRPs act reasonably.
- 3.4.2 For purposes of this paragraph 3.4, "materially prejudicial" is an outcome that results in an aggregate Distribution to Creditors that would be materially less than the estimated liquidation dividend set out in the Table 3.
- 3.4.3 If the amendment, modification, or variation is materially prejudicial to –
- 3.4.3.1 one or more Affected Persons (but not to all Affected Persons), the BRPs will be required to procure the consent in writing for such amendment, modification or variation of only those Affected Person/s to whom such amendment, modification or variation is materially prejudicial. The same voting thresholds as are required for Adoption of the Business Rescue Plan will be applicable but only to those Affected Person/s present and voting;
- 3.4.3.2 all Affected Persons, the BRPs will be required to procure the approval of all Affected Person/s for such amendment, modification, or variation and for purposes of approving such amendment, modification or variation, the same voting thresholds as are required for Adoption of the Business Rescue Plan will be applicable.
- 3.4.4 The amendment, modification or variation will be deemed to take effect on approval by the BRPs or the Affected Persons, as the case may be, whereafter a written notice of the amendment, modification, or variation will be provided to all Affected Persons.
- 3.4.5 It is specifically recorded that the provisions of this section shall, mutatis mutandis, apply to the extension or reduction of any timeframes referred to in this Business Rescue Plan.

3.5 **Severability**

- 3.5.1 Each provision of this Business Rescue Plan is, notwithstanding the grammatical relationship between that provision and the other provisions of this Business Rescue Plan, severable from the other provisions of this Business Rescue Plan.
- 3.5.2 Any provision of this Business Rescue Plan, which is or becomes invalid, unenforceable, or unlawful in any jurisdiction shall, in such jurisdiction only, be treated as pro non scripto to the extent that it is so invalid, unenforceable, or unlawful, without invalidating or affecting the remaining provisions of this Business Rescue Plan which shall remain of full force and effect.
- 3.5.3 The BRPs declare that it is their intention that this Business Rescue Plan would be executed without such invalid, unenforceable or unlawful provision if they were aware of such invalidity, unenforceability, or unlawfulness at the time of execution of this Business Rescue Plan.

4 **CONCLUSION AND BRP CERTIFICATES**

4.1 **Conclusion**

- 4.1.1 For the reasons set out above it is the view of the BRPs, that notwithstanding the risks and challenges inherent in this Business Rescue Plan:
- 4.1.1.1 there is a reasonable prospect of a successful Business Rescue that balances the rights and interests of all relevant stakeholders and Affected Persons in accordance with the objectives of the Companies Act;
- 4.1.1.2 regrettably the solvency and liquidity of the Company cannot be restored in the absence of a substantial equity injection. However, a better return for Creditors, than if the Company had immediately been liquidated as at the Commencement Date, is reasonably expected to be achieved;
- 4.1.1.3 the aggregate Distribution is likely to result in certain Creditors receiving a higher dividend in the Business Rescue than they would likely receive on a liquidation of the Company; and
- 4.1.1.4 should the Business Rescue Plan not be Adopted, the BRPs are of the view that the Business Rescue will have to be converted to liquidation proceedings immediately.

4.2 BRPs' certificates

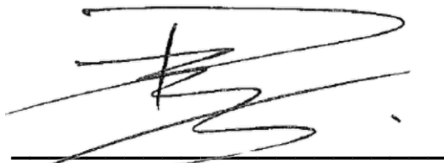
4.2.1 We, the undersigned, hereby certify that to the best of our knowledge and belief:

4.2.1.1 any information provided herein appears to be reasonably accurate, complete, and up to date;

4.2.1.2 we have relied on financial information including opinions and reports furnished to us by the Board and Management;

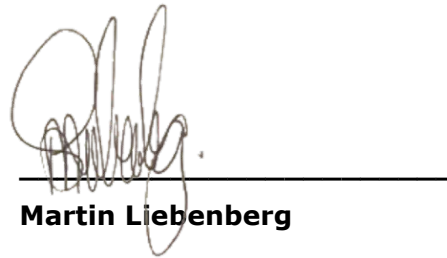
4.2.1.3 any projections provided are reasonable estimates made in good faith based on factual information and assumptions as set out herein; and

4.2.1.4 in preparing the Business Rescue Plan, we have not undertaken an audit of the information provided to us, although where practical, we have endeavoured to satisfy ourselves of the accuracy of such information.



Peter van den Steen

Date: 19 April 2021



Martin Liebenberg

Date: 19 April 2021

ANNEXURE A

LIST OF MATERIAL ASSETS AND SECURITY OF THE COMPANY

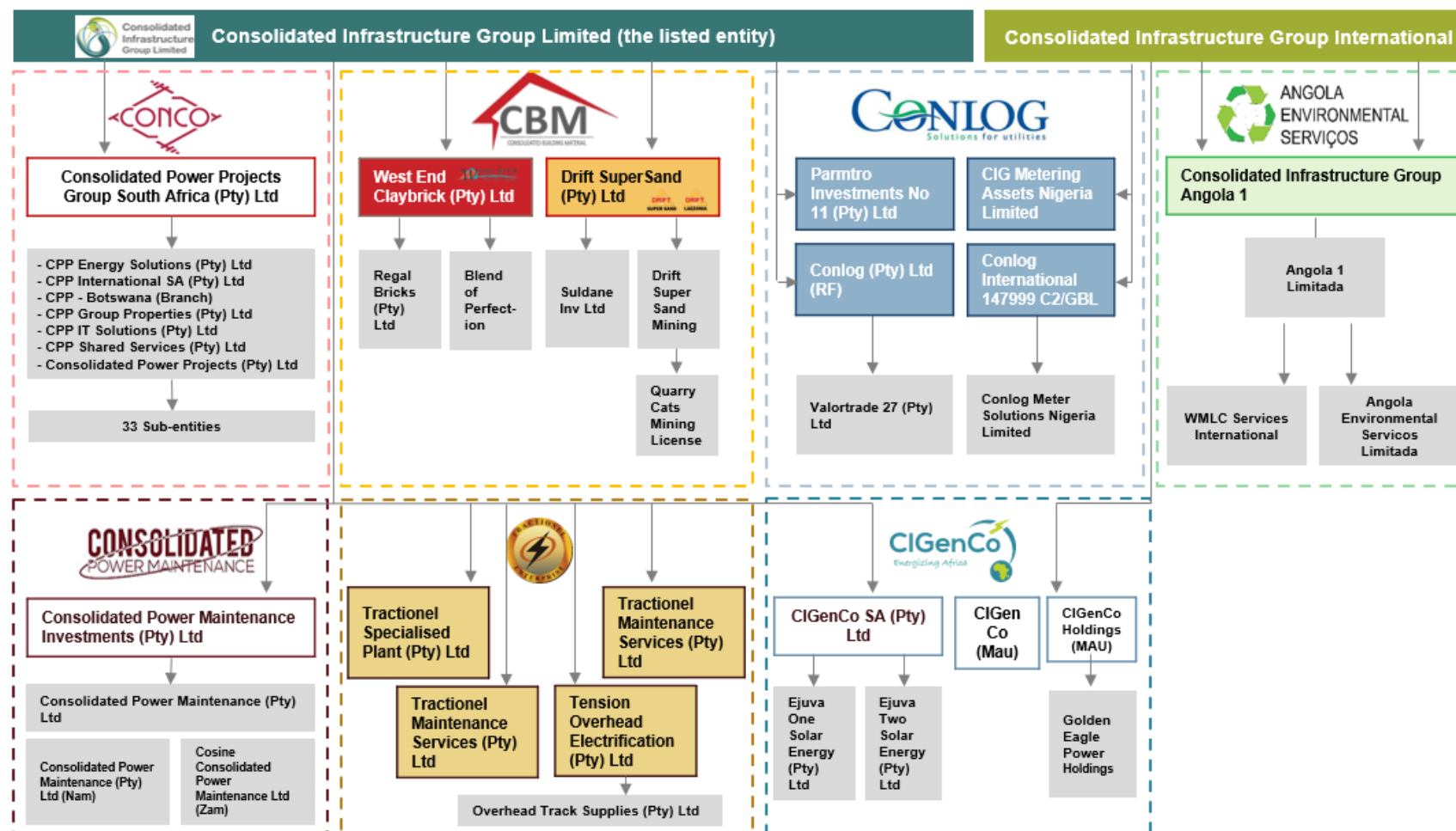
MATERIAL ASSETS	31 Oct 2020
	R'000
Non-current assets	
Leasehold improvements	508
Plant and equipment	170
Investments in Subsidiaries	1 156 181
Total Non-Current assets	1 156 859
Current assets	
Loans to group companies	274 825
Debtors	21 578
Cash and cash equivalents	6 431
Total Current assets	302 834
TOTAL ASSETS	1 459 693

The above list of assets are the accounting balance sheet values as contained in the books and records of the Company as at 31 October 2020.

In accordance with a cession and pledge agreement dated 18 May 2018, the Company has guaranteed its obligations to the Secured Creditor/s and pledged its shares in Conlog SA as security.

ANNEXURE B

CIG GROUP STRUCTURE



ANNEXURE C

KEY ASPECTS OF THE PROPOSAL

1. For the duration of the Company's Business Rescue to the Publication Date, the Company has continued to operate on a limited basis, from its own cash resources, the receipt of Service Fees from its Subsidiaries and from the proceeds of assets disposed of.
2. Post the Commencement Date, interest on the Company's debt has, by agreement with the significant debt providers, accrued but has not been paid.
3. No PCF has been received, nor is any required in terms of this Business Rescue Plan, on condition that the proceeds from the disposal of the Subsidiaries and other assets are realised as forecasted.
4. In the event that there are unforeseen circumstances that require funding, the Company may provide direct or indirect financial assistance to the Company's Subsidiaries and/or associated companies (where deemed appropriate), which financial assistance may include the provision of loans, the issuance of guarantees (or other similar instruments and/or Securities) and/or the subordination of claims owing to the Company, where such actions would result in a direct or indirect benefit to the Company.
5. It is proposed that the Company will continue to collect the Service Fees, and that it will dispose of the Subsidiaries and other assets through controlled sales processes, to ensure, where possible, the realisation of optimal value for the benefit of the Company and its Affected Persons.
6. Wherever possible, Subsidiaries will be restructured (operational and or financial restructuring, operated to completion, sold, wind up, liquidated, etc) to minimise the exposure of the Parental Guarantees on the Company.
7. A significant portion of the restructuring and Parental Guarantee exposure on the Company falls within the business rescue process as adopted for Conco, a Subsidiary of the Company.
8. In the short term, operating costs of the Company are being and will continue to be aggressively managed and reduced in accordance with the diminishing needs of the Company.
9. The Company is to be delisted.
10. It is assumed that the banking facilities currently available to the Company and its direct subsidiaries and related companies will continue to be made available to enable trading during Business Rescue.

11. After payment of the final Distribution the BRPs may, in their sole discretion: return the Company to its Director/s once a notice of substantial implementation has been filed with the CIPC; or they may apply for the Company's deregistration; or they may apply for the Company's provisional or final liquidation.
- 12. The net effect of the Business Rescue will be the realisation of better Distributions for the Creditor body than would have been the case if the Company had been immediately liquidated.**

ANNEXURE D

STATEMENT OF INCOME AND EXPENSES FOR THE ENSUING THREE YEARS

CIG FORECAST

STATEMENT OF INCOME AND EXPENSES	Year ended April 2022	Year ended April 2023	Year ended April 2024
INCOME			
Service fees and reimbursements from subsidiaries	26,98	0,00	0,00
TOTAL INCOME	26,98	0,00	0,00
EXPENSES			
General overheads	11,91	5,47	0,00
Legal and Consulting	2,59	1,09	0,00
Restructuring costs	18,55	5,95	0,00
Employee costs	12,51	11,28	0,00
Wind down costs	0,00	50,00	0,00
TOTAL EXPENSES	45,56	73,79	0,00
NET INCOME AND EXPENSES	-18,58	-73,79	0,00

Material Assumptions applied to the Statement of Income and Expenses for the ensuing three years:

1. The revenue and expenses statement has been prepared on a cash-basis of accounting where cash receipts and payments are recorded when actually received or paid;
2. All Service Fees are received by the Company as forecast;
3. All proceeds from a sale of the Company's realisable assets are received as forecast;
4. All overheads are paid as forecast;
5. Interest on the Helios Fairfax debt is accrued and is settled directly from the disposal proceeds from the relevant secured asset as and when disposed of. It is assumed that the disposal proceeds will cover both the principal debt and all accrued interest. The Helios Fairfax interest is included above; and
6. Interest on the Noteholders' debt is accruing, and forms part of their total Unsecured Creditor claim. This Claim, (principal and interest), together with all other Unsecured Creditor Claims will be partially settled and the remainder

Expunged, when the Distribution/s are paid. The Noteholder interest is not included above the interest line.

7. The abovementioned losses will be funded from asset realisations as referred to in this Business Rescue Plan.

ANNEXURE E

LIST OF CREDITORS OF THE COMPANY

CREDITOR TYPE / CREDITOR NAME / CREDITOR GROUP AT 31 OCTOBER 2020	ACCEPTED/PROVEN CLAIM	VOTING INTEREST
SECURED CREDITORS	R 298 000 000.00	7.97%
HFP South Africa Investments Proprietary Limited	R 298 000 000.00	7.97%
INDEPENDENT UNSECURED CREDITORS	R 3 154 349 715.81	84.33%
Trade Creditors	R 3 807 488.83	0.10%
FFH Management Services Limited	R 83 224.95	0.00%
Hatch Africa Proprietary Limited	R 1 780 951.88	0.05%
Investec Share Plan Services Proprietary Limited	R 102 607.66	0.00%
Melrose Arch Investment Holdings Proprietary Limited, Liberty Propco Proprietary Limited and 2 Degrees Properties Proprietary Limited	R 133 061.51	0.00%
Moody's Investor Service Middle East Limited	R 537 292.55	0.01%
SARS - VAT clawback	R 844 676.61	0.02%
The Legal Verification Team Proprietary Limited	R 81 988.67	0.00%
Willis Towers Watson Proprietary Limited	R 243 685.00	0.01%
DMTN Noteholders - Capital and Interest	R 772 725 741.46	20.66%
Ashburton Fund Managers Proprietary Limited (Acting obo SBSA in trust for Ashburton SA Income Fund)	R 10 859 000.00	0.29%
Ashburton Fund Managers Proprietary Limited (Acting obo SBSA in trust for Ashburton Stable Income Fund)	R 4 176 000.00	0.11%
Ashburton Fund Managers Proprietary Limited (Acting obo The Ashburton Credit Enhanced Fund en Commandite Partnership No.1)	R 55 965 000.00	1.50%
Bophelo Beneficiary Fund - Vele Asset Managers Proprietary Limited	R 500 000.00	0.01%
Futuregrowth Asset Management Proprietary Limited	R 155 401 971.00	4.15%
Matrix	R 1 539 584.00	0.04%
NHBRC Kagiso Asset Managers Proprietary Limited	R 2 588 541.00	0.07%
Ninety One SA Proprietary Limited	R 163 600 000.00	4.37%
Sanlam Capital Markets Proprietary Limited	R 29 178 465.10	0.78%
Sanlam Investment Management Proprietary Limited	R 58 340 324.28	1.56%
Sanlam Life Insurance Limited (Sanlam Capital Markets Division)	R 219 839 269.29	5.88%
Sanlam Life Insurance Limited (Sanlam Investment Management Division)	R 69 831 586.79	1.87%
SBSA ITF Momentum Diversified Income Fund Prescient	R 906 000.00	0.02%
Guarantor Holders (Active Bonds and Bonds called)	R 1 221 284 563.29	32.65%
Lombard Insurance Company Limited	R 355 925 566.75	9.52%
Santam Limited	R 297 712 687.31	7.96%
Standard Bank of South Africa Limited	R 235 412 035.38	6.29%
Standard Chartered Bank Mauritius Branch	R 64 997 238.94	1.74%
Standard Chartered Bank South Africa Branch	R 267 237 034.91	7.14%
CIG Guaranteed Debt	R 1 156 531 922.22	30.92%
Absa Bank Limited	R 8 726 199.22	0.23%
Bank of China Limited Johannesburg Branch	R 24 786 194.37	0.66%
Lombard Insurance Company Limited	R 6 456 847.82	0.17%
Santam Limited	R 72 104 010.00	1.93%
Standard Bank of South Africa Limited	R 205 770 142.10	5.50%
Standard Chartered Bank Mauritius Branch	R 415 544 099.61	11.11%
Standard Chartered Bank South Africa Branch	R 423 144 429.10	11.31%
NON-INDEPENDENT UNSECURED CREDITORS	R 288 053 849.23	7.70%
Inter-Company Loans	R 288 053 849.23	7.70%
Conlog SA Proprietary Limited	R 121 363 081.00	3.24%
Consolidated Infrastructure Group - Angola 1	R 9 714 538.82	0.26%
Consolidated Infrastructure Group International Limited	R 152 842 670.10	4.09%
Consolidated Power Projects IT Solutions Proprietary Limited	R 4 133 559.32	0.11%
TOTAL CREDITOR CLAIMS	R 3 740 403 565.04	100.00%

ANNEXURE F**PROXY FORM**

For use by the Creditors of Consolidated Infrastructure Group Limited (in business rescue) ("**Company**"), at a meeting convened in terms of section 151 of the Companies Act 71 of 2008, as amended, to be held virtually via a video-conferencing platform on **Friday, 30 April 2021 at 10:00** ("**Meeting**"), or at any subsequent adjournment of the Meeting.

NAME OF CREDITOR: _____

I / We, being a Creditor of the Company, do hereby nominate, constitute and appoint:

i. _____ or failing him / her;

ii. _____ or failing him / her;

iii. the business rescue practitioners ("**BRPs**") who act as the Chairmen of the Meeting,

as my / our proxy to attend and act for me / us and on my / our behalf at the Meeting convened for the purpose of considering the proposed Business Rescue Plan for the Company and, if deemed fit, voting: (indicate with an X)

- To direct the BRPs to adjourn the Meeting in order to revise the proposed Business Rescue Plan for further consideration:

VOTE IN FAVOUR	VOTE AGAINST	ABSTAIN FROM VOTING

- For the approval/adoption of the proposed Business Rescue Plan, with or without modification:

VOTE IN FAVOUR	VOTE AGAINST	ABSTAIN FROM VOTING

SIGNED at _____ **on this** _____ **day of** _____ **2021**

SIGNATURE/S

NAME/S

Who warrants that he is/she is/they are duly authorised thereto

NOTES:

1. A Creditor may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided, with or without deleting “the business rescue practitioners (“**BRPs**”) who act as the Chairmen of the Meeting”. The person whose name stands first on the form of proxy and who is present at the Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. The form of proxy must either be:
 - a. delivered and lodged at the Company’s registered offices, located at: First Floor, 30 Melrose Boulevard, Melrose Arch, Sandton, Gauteng, 2196, South Africa, to be received by not later than **17h00 on Wednesday, 28 April 2021**, two days prior to the meeting; or
 - b. emailed to business.rescue@ciglimited.com by not later than **17h00 on Thursday, 29 April 2021**.
3. The completion and lodging of this form of proxy will not preclude the relevant Creditor from virtually attending and participating in the Meeting and voting thereat, to the exclusion of the proxy appointed in terms thereof, should such Creditor wish to do so.
4. Capitalized words not otherwise defined in this form of proxy shall have the meaning ascribed to them in the Business Rescue Plan.
5. If this proxy is signed under power of attorney or by a representative on behalf of a company, close corporation or trust, it must be accompanied by an appropriate power of attorney (for an individual) or authorising resolution (for a juristic person) - as is applicable - giving such representative the authority to act as proxy and vote at the Meeting.

ANNEXURE G

BRPS' REMUNERATION AGREEMENT

BUSINESS RESCUE REMUNERATION AGREEMENT

between

PETRUS FRANCOIS VAN DEN STEEN

MARTIN DU TOIT LIEBENBERG

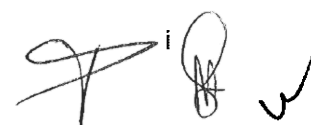
and

CONSOLIDATED INFRASTRUCTURE GROUP LIMITED



TABLE OF CONTENTS

1	DEFINITIONS	1
2	VOLUNTARY COMMENCEMENT OF THE BUSINESS RESCUE AND THE APPOINTMENT OF THE BRPS.....	6
3	STATUS OF THIS AGREEMENT AND RELATIONSHIP BETWEEN THE PARTIES.....	6
4	SUSPENSIVE CONDITIONS.....	7
5	TERM OF THE APPOINTMENT OF THE BRPS	8
6	STATUS OF THE BRPS.....	8
7	THE SUCCESS OR FAILURE OF THE BUSINESS RESCUE.....	9
8	BRPS' REMUNERATION.....	11
9	PAYMENT AND INVOICING.....	14
10	ENGAGEMENT BY THE BRPS OF PROFESSIONAL ADVISORS	15
11	OWNERSHIP.....	15
12	INSURANCE.....	16
13	WARRANTY BY THE COMPANY.....	16
14	LIABILITY AND INDEMNITY.....	17
15	EXCLUSION OF LIABILITY.....	17
16	RIGHTS AND OBLIGATIONS OF THE PARTIES IF THE BUSINESS RESCUE IS SET ASIDE FOR ANY REASON OR IS A NULLITY.....	17
17	BREACH.....	18
18	ARBITRATION	18
19	MISCELLANEOUS MATTERS	21

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1 DEFINITIONS

1.1 In this Agreement, the following words shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meanings and other words derived from the same origins as such words (that is, cognate words) shall bear corresponding meanings -

1.1.1 **"Affected Persons"** - those persons who qualify as affected persons (as defined in section 128(1)(a) of the Companies Act) in relation to the Company;

1.1.2 **"Agreement"** - this agreement between the Parties, *inter alia*, for the payment by the Company of further remuneration additional to the Basic Remuneration;

1.1.3 **"Bank Account"** - the Bank Account of the BRPs' Nominated Entity with the following details -

Bank: Standard Bank

Accountholder: Metis Strategic Advisors (Pty) Ltd

Account Number: 301934835

Branch: Sandton

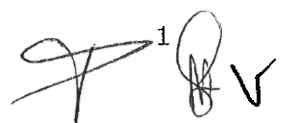
Branch Code: 051001

1.1.4 **"Board"** - the board of directors of the Company, from time to time;

1.1.5 **"BRPs"** - van den Steen and Liebenberg, being the persons appointed in accordance with the applicable provisions of the Companies Act as the joint business rescue practitioners of the Company;

1.1.6 **"BRPs' Nominated Entity"** - the entity which each BRP may nominate from time to time, to which that BRP's entitlement to his share of the BRPs' Remuneration will be paid;

1.1.7 **"BRPs' Remuneration"** - the total remuneration payable by the Company to the BRPs as set out in this Agreement;

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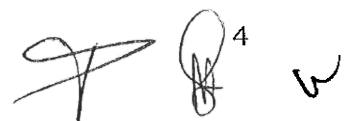
- 1.1.8 **"Business Day"** - every day of the week other than a Saturday, Sunday or South African public holiday;
- 1.1.9 **"Business Rescue"** - the business rescue proceedings of the Company from the Commencement Date to the date of termination in accordance with chapter 6 of the Companies Act;
- 1.1.10 **"Business Rescue Plan"** - the business rescue plan finally adopted in respect of the Company in terms of the Companies Act;
- 1.1.11 **"Commencement Date"** – 9 November 2020;
- 1.1.12 **"Commission"** - the Companies and Intellectual Property Commission established by section 185 of the Companies Act;
- 1.1.13 **"Company"** – Consolidated Infrastructure Group Limited, with registration number 2007/004935/06, being a company incorporated and carrying on business in accordance with the company laws of South Africa, presently under business rescue with effect from the Commencement Date;
- 1.1.14 **"Companies Act"** - the Companies Act, 71 of 2008, as amended;
- 1.1.15 **"Companies Act Regulations"** - the Regulations to the Companies Act, namely, those Regulations published under GNR.351 in Government Gazette 34239, dated 26 April 2011;
- 1.1.16 **"Group Companies"** – the Company and all of its direct and indirect Subsidiaries (as such term is defined in the Companies Act) and any other company in which the Company and/or any of its direct and indirect Subsidiaries holds a shareholding interest;
- 1.1.17 **"Metis"** - Metis Strategic Advisors Proprietary Limited (registration number 2015/220685/07) being a company incorporated and carrying on business in accordance with the company laws of South Africa;
- 1.1.18 **"Liebenberg"** – Martin Du Toit Liebenberg, with identity number: 8101185230081, being a business rescue practitioner, licensed

as such under and in terms of section 138(1)(b) of the Companies Act, read with section 138(2) thereof, by the Commission;

- 1.1.19 "**Parties**" - the parties to this Agreement, being the Company, Liebenberg and van den Steen;
- 1.1.20 "**PCF**" - the provision to the Company of post-commencement finance as envisaged in section 135(2) of the Companies Act;
- 1.1.21 "**Prime Rate**" - the rate of interest (nominal annual compounded monthly in arrears) from time to time published by the Standard Bank of South Africa Limited as its prime overdraft lending rate (a certificate from any manager of that bank, whose appointment or authority need not be proved, as to the prime rate at any time and the usual way in which it is calculated and compounded at such time shall, in the absence of manifest or clerical error, be final and binding on the parties);
- 1.1.22 "**Rand**" or "**R**" - South African Rand, the lawful currency of South Africa;
- 1.1.23 "**Signature Date**" - the date of the last of the signatures to this Agreement;
- 1.1.24 "**South Africa**" - the Republic of South Africa;
- 1.1.25 "**Surviving Provisions**" - clause 1, 18, 19 and any other provisions of this Agreement which are expressed to continue in force after termination or which by necessary implication must continue after termination;
- 1.1.26 "**Suspensive Conditions**" - the suspensive conditions in clause 4;
- 1.1.27 "**Tariff Fees**" - the basic remuneration payable by the Company to the BRPs as contemplated in accordance with section 143(1) of the Companies Act, in accordance with the tariff prescribed in section 143(6), with effect from the Commencement Date, it being recorded that –
 - 1.1.27.1 the applicable tariff is the tariff contemplated in Regulation 128(1)(c) of the Companies Act Regulations; and

  3 

- 1.1.27.2 as at the Signature Date, the hourly tariff amounts to R2 000 (two thousand Rand) including VAT, and the maximum daily tariff amounts to R25 000 (twenty five thousand Rand) including VAT;
- 1.1.28 "**van den Steen**" - Petrus Francois van den Steen, with identity number: 681107 5024 087, being a senior business rescue practitioner, licensed as such under and in terms of section 138(1)(b) of the Companies Act, read with section 138(2) thereof, by the Commission;
- 1.1.29 "**VAT**" - value-added tax levied in terms of the VAT Act;
- 1.1.30 "**VAT Act**" - Value-added Tax Act, 89 of 1991, as amended; and
- 1.1.31 "**Werksmans**" – Werksmans Incorporated, practising as such at, *inter alia*, 96 Rivonia Road, Sandton, Johannesburg.
- 1.2 In this Agreement –
- 1.2.1 references to a statutory provision include any subordinate legislation made from time to time under that provision and includes that provision as modified or re-enacted from time to time;
- 1.2.2 words importing the masculine gender include the feminine and neuter genders and vice versa; the singular includes the plural and vice versa; and natural persons include artificial persons and vice versa;
- 1.2.3 references to a "person" include a natural person, company, close corporation or any other juristic person or other corporate entity, a charity, trust, partnership, joint venture, syndicate, or any other association of persons;
- 1.2.4 if a definition imposes substantive rights and obligations on a Party, such rights and obligations shall be given effect to and shall be enforceable, notwithstanding that they are contained in a definition;

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- 1.2.5 any definition, wherever it appears in this Agreement, shall bear the same meaning and apply throughout this Agreement unless otherwise stated or inconsistent with the context in which it appears;
- 1.2.6 if there is any conflict between any definitions in this Agreement then, for purposes of interpreting any clause of the Agreement, the definition appearing in that clause shall prevail over any other conflicting definition appearing elsewhere in the Agreement;
- 1.2.7 where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day;
- 1.2.8 where the day upon or by which any act is required to be performed is not a Business Day, the Parties shall be deemed to have intended such act to be performed upon or by the next succeeding Business Day;
- 1.2.9 any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated as having not been written and severed from the balance of this Agreement, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction;
- 1.2.10 the use of any expression covering a process available under South African law (such as but not limited to a winding-up) shall, if any of the Parties is subject to the law of any other jurisdiction, be interpreted in relation to that Party as including any equivalent or analogous proceeding under the law of such other jurisdiction;
- 1.2.11 references to any amount shall mean that amount exclusive of VAT, unless the amount expressly includes VAT;
- 1.2.12 the rule of construction that if general words or terms are used in association with specific words or terms which are a species of a particular

genus or class, the meaning of the general words or terms shall be restricted to that same class (ie the *eiusdem generis* rule) shall not apply, and whenever the word "*including*" is used followed by specific examples, such examples shall not be interpreted so as to limit the meaning of any word or term to the same genus or class as the examples given.

1.3 The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement which are expressly provided to operate after any such expiration or termination, or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the relevant provisions themselves do not provide for this.

1.4 Each of the provisions of this Agreement has been negotiated by the Parties and drafted for the benefit of the Parties, and accordingly the rule of construction that the contract shall be interpreted against or to the disadvantage of the Party responsible for the drafting or preparation of the Agreement (ie the *contra proferentem* rule), shall not apply.

2 VOLUNTARY COMMENCEMENT OF THE BUSINESS RESCUE AND THE APPOINTMENT OF THE BRPS




2.1 On the Commencement Date the Board resolved that the Company voluntarily commence business rescue proceedings, and appointed Liebenberg and van den Steen as the BRPs of the Company; and

2.2 On 9th November 2020, the Commission endorsed the appointment of Liebenberg and van den Steen as BRPs of the Company through the return of the requisite Forms CoR 123.2 and confirmation letter.

2.3 This Agreement is the remuneration agreement of the BRPs as contemplated in section 143(2) of the Companies Act.

3 STATUS OF THIS AGREEMENT AND RELATIONSHIP BETWEEN THE PARTIES

3.1 In performing their duties as the BRPs, the BRPs shall act in accordance with their obligations in terms of the Companies Act and in accordance with the terms and conditions of this Agreement.

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- 3.2 This Agreement shall not constitute a contract of employment as between the BRPs and the Company in any way or manner whatsoever.

4 **SUSPENSIVE CONDITIONS**

- 4.1 The provisions of this Agreement (other than the Surviving Provisions which shall be unconditional and of immediate force and effect on and with effect from the Signature Date) are subject to the fulfilment of the following Suspensive Conditions by no later than 9 February 2020 -

- 4.1.1 the approval in terms of section 143(3)(a) of the Companies Act by the holders of a majority of the creditors' voting interests, as determined in accordance with sections 145(4) to 145(6) of the Companies Act, present and voting at a meeting called for the purpose of considering this Agreement; and

- 4.1.2 the approval in terms of section 143(3)(b) of the Companies Act by the holders of a majority of the voting rights attached to any shares of the Company that entitle the shareholder to a portion of the residual value of the Company on winding up, present and voting at a meeting called for the purpose of considering this Agreement

- 4.2 The Parties shall, where it is within their respective power and control to do so, use their best endeavours to procure the fulfilment of each of the Suspensive Conditions, specifically by taking the steps envisaged in terms of section 143(3) of the Companies Act for the purpose of seeking the approvals contemplated in section 143(3) of the Companies Act

- 4.3 If the Suspensive Conditions are not fulfilled by the date contemplated at clause 4.1, the BRPs shall have the election to terminate their appointment, resign as the BRPs of the Company with immediate effect (in which event the BRPs shall notify the Company in writing immediately). Should either of the BRPs elect not to terminate this Agreement and resign as the BRPs of the Company, that BRP shall be entitled to Tariff Fees.

- 4.4 If the Suspensive Conditions are not fulfilled, no Party shall have any claim against any other Party as a result of or in connection with any such non-

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fulfilment (other than a claim for a breach by a party of any of its obligations under this clause 4), and the Parties indemnify each other accordingly.




5 TERM OF THE APPOINTMENT OF THE BRPS

The appointment of the BRPs took effect on the Commencement Date (from which date, subject to the fulfilment of the Suspensive Conditions, this Agreement shall be of full force and effect), and shall endure until the earlier of –

- 5.1 the termination of the Business Rescue as contemplated in section 132 of the Companies Act;
- 5.2 the removal of the BRPs as contemplated in section 139 of the Companies Act; or
- 5.3 the resignation of the BRPs as contemplated in clause 4.3 or otherwise.

6 STATUS OF THE BRPS

- 6.1 The Companies Act contemplates that the appointment of a business rescue practitioner for the purposes of a Business Rescue shall take place as between the business rescue practitioner (licensed as such and for that purpose by the Commission) and the company in business rescue. As such, the appointment of the BRPs is made in their names.
- 6.2 It is recorded that the BRPs have nominated Metis as their respective BRPs' Nominated Entity. In the event that either BRP wishes to nominate a new entity, he may do so on written notice to the Company, at its email address recorded in clause 19.1.1 below.
- 6.3 Notwithstanding clause 6.1, the BRPs will perform their appointment hereunder as part of their duties and responsibilities to the BRPs' Nominated Entity.
- 6.4 It is therefore agreed that –
 - 6.4.1 for as long as the BRPs remain engaged with or retain an interest in the BRPs' Nominated Entity, the benefits of any and all payments due and payable to the BRPs hereunder, including, but not limited to, the BRPs'

8   

Remuneration, properly vest in and accrue to and in favour of BRPs' Nominated Entity and for that purpose the BRPs are agents of the BRPs' Nominated Entity for purposes of section 54 of the VAT Act;

6.4.2 the BRPs antecedently divests, cedes and assigns their right, title and interest in and to the BRPs' Remuneration in favour of the BRPs' Nominated Entity, it being expressly recorded and agreed that, should the relationship between either or both of the BRPs and the BRPs' Nominated Entity come to an end, or either or both of the BRPs choose to appoint an alternative nominee at any time after the Signature Date, the contemplated divestment, cession and assignment by the BRPs of their right, title and interest in and to the BRPs' Remuneration in favour of the BRPs' Nominated Entity will terminate with immediate effect in respect of such BRP and the BRP shall then be entitled to divest, cede and assign his right, title and interest in and to the BRPs' Remuneration in favour of an alternative nominee of his choosing; and

6.4.3 notwithstanding clauses 6.4.1 and 6.4.2, the BRPs shall be liable in full to and in favour of the Company in relation to the discharge of their duties as the BRPs of the Company as contemplated in the Companies Act.

6.5 Each BRP warrants that he has the capacity and requisite authority to enter into and to conclude this Agreement, and in particular, that his appointment as joint business rescue practitioner of the Company will not be in contravention of section 138(1) of the Companies Act.

6.6 This clause 6 constitutes a *stipulatio alteri* (right in favour of a third party) in favour of the BRPs' Nominated Entity, capable of acceptance by the BRPs' Nominated Entity at any time.

7 THE SUCCESS OR FAILURE OF THE BUSINESS RESCUE

7.1 It is expressly recorded and agreed that –

7.1.1 the Company irrevocably and unconditionally acknowledges that it is fully cognisant of its obligations under the Companies Act and in particular, but without limiting the generality of the Companies Act, Chapter 6 thereof.

  9 ✓

The Company shall render all assistance to the BRPs as may be required by the BRPs in the discharge by the BRPs of their duties in relation to the successful Business Rescue;

7.1.2 the Company shall procure that its Board, officers and employees shall likewise render all assistance to the BRPs as may be required by the BRPs in the discharge of their duties in relation to the successful Business Rescue.

7.2 The Company undertakes, and shall procure that its board, the officers and employees shall also undertake, *inter alia* –

7.2.1 to assist the BRPs during the Business Rescue at all times, as set out in the Companies Act;

7.2.2 not to enter into any contract or bind the Company in any way without the prior written consent of the BRPs;

7.2.3 not to permit, in the case of the Company or misappropriate business opportunities during the Business Rescue;

7.2.4 not to make any disparaging comments or remarks in any public forum about the BRPs, their professional advisors or the Business Rescue proceedings; and

7.2.5 not to do anything that will jeopardise the successful Business Rescue.

7.3 The Company acknowledges that –

7.3.1 the BRPs are required by the Companies Act to investigate the affairs of the Company;

7.3.2 the BRPs shall take all necessary steps as prescribed by the Companies Act to rectify any transgressions of any law;

7.3.3 the role of the Board is suspended during the Business Rescue and the Board shall report to the BRPs at all times, fully and effectually. The BRPs

hereby exercise their right to delegate to the pre-existing management the BRPs powers and/or functions, subject to the continued oversight of the BRPs;

- 7.3.4 the BRPs are required to report to the relevant authorities as prescribed in the Companies Act any fraud or attempted fraud that was committed by any person in relation to the affairs of the Company;
- 7.3.5 the Board may make no statements about the affairs of the Company or details of the Business Rescue Plan prior to the adoption thereof to any third party and all queries in relation thereto shall be required to be directed to the BRPs or whomsoever the BRPs has nominated to respond to such queries;
- 7.3.6 the BRPs have the authority to amend, suspend or, subject to procuring the requisite court order, cancel any agreements, contracts or any other obligations during the Business Rescue save for employment contracts, in accordance with the Companies Act;
- 7.3.7 no member of the Board shall receive any director's fees during the Business Rescue;
- 7.3.8 the BRPs shall be responsible for authorising all payments made for and on behalf of the Company and no member of the Board or prescribed officer of the Company may make any payments to any party without the prior written consent of the BRPs; and
- 7.3.9 should the Company fail to obtain approval for the Business Rescue Plan, the Company may be placed in liquidation.

8 BRPS' REMUNERATION

- 8.1 The remuneration payable by the Company to the BRPs in terms of this Agreement shall comprise:
 - 8.1.1 the tariff as specified in the Companies Regulations; and

8.1.2 the further remuneration as contemplated in clause 8.4.

8.2 In addition to the BRPs' Remuneration, the Company shall reimburse the BRPs for any reasonable costs, expenses and disbursements incurred by either of them in the discharge of their duties and responsibilities such as:

8.2.1 travelling costs and expenses, it being noted that:

8.2.1.1 any travelling costs incurred by the BRPs in relation to the motor vehicle/s of the BRP shall be charged at the applicable Automobile Association of South Africa's recommended rate, excluding VAT;

8.2.1.2 airline travel shall be with any recognised domestic or international carrier at the applicable full economy class fare save that any flight longer than two hours shall be business class fare;

8.2.2 accommodation costs and expenses;

8.2.3 any other costs and expenses reasonably incurred by the BRPs to the extent required in order for the BRPs to discharge their duties and responsibilities.

8.3 The fees payable to the BRPs under and in terms of this Agreement are exclusive of all reasonable costs and expenses which may of necessity be incurred by the BRPs and/or the Company, as the case may be, in relation to the employment and/or the engagement of all professionals or other service providers advising and/or providing services to the BRPs and/or the Company for the purposes of the Business Rescue.

8.4 **Basic Remuneration**

8.4.1 In terms of section 143(1) of the Companies Act, the practitioner is entitled to charge an amount to the company for the remuneration and expenses of the practitioner in accordance with the tariff prescribed in the Companies Regulations.

- 8.4.2 Section 143(2) of the Companies Act entitles the practitioner to propose an agreement with the company providing for further remuneration additional to that contemplated in section 143(1) of the Companies Act.
- 8.4.3 In accordance with section 143 of the Companies Act, the BRPs will charge the following hourly rates ("**Tariff Fees**"):
- 8.4.3.1 Peter van den Steen an amount of R1 739.13 excluding VAT (R2 000 including VAT); and
- 8.4.3.2 Martin Liebenberg an amount of R1 739.13 excluding VAT (R2 000 including VAT); plus
- 8.4.4 Upon approval of an extension of the date by when the business rescue plan is to be published pursuant to the provisions of section 150(5)(b) of the Companies Act, the following additional remuneration will be paid to the BRPs effective from the Commencement Date ("**Further Remuneration**"):
- 8.4.4.1 Peter van den Steen an additional amount of R2 210.87 (excluding VAT) per hour; and
- 8.4.4.2 Martin Liebenberg an additional amount of R910.87 (excluding VAT) per hour.
- 8.4.5 The aggregate of the Tariff Fees and the Further Remuneration is hereinafter referred to as the **Basic Remuneration**.
- 8.4.6 For the purposes of calculating the Basic Remuneration, time spent by each of the BRPs shall include (without any limitation):
- 8.4.6.1 time actually spent by the BRPs in acting as the BRPs of the Company subject to the completion by the BRPs of reasonable time attendance records to that effect;
- 8.4.6.2 any travelling time incurred by the BRPs in the discharge of the duties and responsibilities of the BRPs;

- 8.4.6.3 any planning, preparation and assessments completed and/or undertaken by the BRPs in the discharge of the duties and responsibilities of BRPs.

9 PAYMENT AND INVOICING

- 9.1 By virtue of the provisions of clause 6, all payments under and in terms of this Agreement shall be due and payable and shall be made by the Company to the BRPs' Nominated Entity into the Bank Account (the details of which may be varied by the BRP on written notice to the Company from time to time).
- 9.2 The Company shall be required to pay the BRPs' Remuneration to the BRPs' Nominated Entity as follows, namely –
- 9.2.1 in the case of the Basic Remuneration, the Company shall pay the Basic Remuneration of the BRPs to the BRPs' Nominated Entity within 5 (five) Business Days of the presentation of each weekly invoice therefore, it being agreed that –
- 9.2.1.1 the BRPs' Nominated Entity shall provide the Company with a narration (together with all costs and expenses incurred by the BRPs) of the weekly attendances of the BRPs;
- 9.2.1.2 for purposes of each invoice, a week shall be the period commencing at 00h01 on every Sunday during the Business Rescue and ending at 24h00 on every succeeding Saturday during the Business Rescue; and
- 9.2.1.3 the BRPs' Nominated Entity shall submit each weekly invoice to the Company, marking these for the attention of the Chief Financial Officer;
- 9.3 It is expressly recorded and agreed that –
- 9.3.1 all invoices, accounts and vouchers, presented by the BRPs or the BRPs' Nominated Entity in respect of the Basic Remuneration or reasonable costs, expenses and disbursements, shall be paid by the Company within 5 (five) Business Days of presentation of the invoice;

- 9.3.2 the Company shall make payment of all amounts due to the BRPs' Nominated Entity without any deduction, setoff and/or withholding on any account, including, but not limited to, any taxes or other fees or amounts of any nature;
- 9.3.3 if the Company is required to deduct or withhold any amount from any amount payable by the Company to the BRPs' Nominated Entity under and in terms of this Agreement, the Company shall be required to increase the gross amount payable by the Company to the BRPs' Nominated Entity such that the BRPs' Nominated Entity receives payment of an amount equal to the amount of the applicable invoice of the BRPs' Nominated Entity.
- 9.4 The Company shall pay interest on any late payments by the Company to the BRPs' Nominated Entity, the applicable interest rate being the Prime Rate, from the due date of payment to the date of payment, both inclusive.

10 ENGAGEMENT BY THE BRPS OF PROFESSIONAL ADVISORS

- 10.1 The BRPs may retain the services of Werksmans and/or professional and other advisors to assist the BRPs during the Business Rescue, which engagement/s shall be subject to the terms and conditions of engagement letters between the Company (therein represented by the BRPs) and Werksmans and/or such other professional and other advisors.
- 10.2 The fees and costs of Werksmans and and/or professional and other advisors engaged to assist the BRPs during the Business Rescue are considered costs of the Business Rescue proceedings of the Company in terms of section 135(3) which are for the account of and payable by the Company.

11 OWNERSHIP

- 11.1 The BRPs and their professional and other advisors shall retain ownership, copyright and any other intellectual property rights, whether oral and/or tangible, as the case may be, as well as ownership itself, of any and all working papers of the BRPs and their professional advisors.

- 11.2 The BRPs shall be permitted to use the name of the Company as a reference in any proposals or any other similar submissions of the BRPs to any prospective client/s of the BRPs.

12 **INSURANCE**

- 12.1 The BRPs shall purchase professional indemnity and related insurance from Shackleton Risk Management Proprietary Limited in an amount reasonably acceptable to the BRP ("**Insurance**"), it being noted that the Insurance cover as at the Signature Date is an amount of R150 000 000 (one hundred and fifty million Rand), which shall be reviewed and amended within 3 (three) months of the Commencement Date, at the sole discretion of the BRPs.
- 12.2 The Company shall reimburse the BRPs for the cost of and insurance premiums in relation to the Insurance, or pay such amounts directly to Shackleton Risk Management Proprietary Limited.
- 12.3 At the request of the Company, the BRPs shall furnish the Company with –
- 12.3.1 proof of payment of all insurance premiums;
- 12.3.2 a copy of the insurance policy relating to the Insurance.
- 12.4 The BRPs shall be entitled to reduce the aggregate amount of professional indemnity and related insurance and/or nominate an alternate insurance company by written notice to the Company at their discretion.

13 **WARRANTY BY THE COMPANY**

The Company hereby unconditionally and irrevocably warrants that it is a large company as envisaged in Regulation 127(2)(b)(i) of the Companies Act Regulations, that is, the public interest score of Company, as calculated in terms of Regulation 26(2) of the Companies Act Regulations, is more than 500 (five hundred).

14 LIABILITY AND INDEMNITY

The Company hereby –

- 14.1 agrees to advance any and all expenses to the BRPs to defend litigation in any proceedings arising out of the performance by the BRPs of their duties under and terms of this Agreement; and
- 14.2 indemnifies the BRPs for any and all expenses contemplated in paragraph 14.1 irrespective of whether the Company has advanced those expenses to the BRPs.

15 EXCLUSION OF LIABILITY

- 15.1 As far as the law allows, the aggregate (total) liability of the BRPs (of any nature) to the Company, or any third party, will not exceed the proceeds of any professional indemnity cover the BRPs actually receive or that the BRPs' insurers pay to the company, or any third party.
- 15.2 This limit shall apply to liability that arises, including a liability arising by breach of contract, by a delict (including the delict of negligence) or arising by breach of statutory duty.
- 15.3 The BRPs hereby exclude any and all liability which may be described and/or characterised as indirect loss, pure economic loss and/or consequential damages.
- 15.4 The BRPs do not accept any liability for the acts, errors, omissions, or the fees of any advisers or service providers instructed by the BRPs on behalf of the Company.

16 RIGHTS AND OBLIGATIONS OF THE PARTIES IF THE BUSINESS RESCUE IS SET ASIDE FOR ANY REASON OR IS A NULLITY

- 16.1 Notwithstanding anything to the contrary in this Agreement, if the Business Rescue is set aside for any reason or is a nullity for whatever reason, the Company shall be liable to pay to the BRPs the Basic Remuneration as specified in 8.4 above from the Commencement Date until the Business Rescue is set

aside or is a nullity, as if the Business Rescue had not been set aside or is not a nullity, as the case may be.

- 16.2 The Company shall be required to make payment of the amounts contemplated in paragraph 16.1 within 5 (five) Business Days of the date on which the Business Rescue is set aside or is a nullity, as the case may be.

17 **BREACH**

Should any of the Parties hereto ("**Defaulting Party**") breach any of the provisions of this Agreement, and the breach is material and the Defaulting Party fails to remedy that breach within 10 (ten) Business Days ("**Ten Business Day Period**") after receipt of a written notice from the non-defaulting party (or if it is not reasonably possible to remedy the breach within the Ten Business Day Period, within such further period as may be reasonable in the circumstances provided that the Defaulting Party furnishes evidence within the Ten Business Day Period reasonably satisfactory to the non-defaulting party, that the Defaulting Party has taken whatever steps are available to the defaulting party, to commence remedying the breach), requiring the Defaulting Party to remedy that breach, the non-defaulting party shall be entitled to –

- 17.1 seek specific performance from the Defaulting Party; and/or
- 17.2 cancel this Agreement; and/or
- 17.3 seek to recover damages from the Defaulting Party,

on the occurrence of the material breach or on the expiry of the Ten Business Day Period, as the case may be.

18 **ARBITRATION**

- 18.1 Save in respect of those provisions of this Agreement which provide for their own remedies which would be incompatible with arbitration, a dispute which arises in regard to –

- 18.1.1 the interpretation of; or
- 18.1.2 the carrying into effect of; or

- 18.1.3 any of the Parties' rights and obligations arising from; or
- 18.1.4 the termination or purported termination of or arising from the termination of; or
- 18.1.5 the rectification or proposed rectification of,

this Agreement, or out of or pursuant to this Agreement or on any matter which in terms of this Agreement requires agreement by the Parties, (other than where an interdict is sought or urgent relief may be obtained from a court of competent jurisdiction) shall be submitted to and decided by arbitration.

- 18.2 All disputes shall be finally determined in accordance with the Expedited Rules of the Arbitration Foundation of Southern Africa ("**AFSA**") without recourse to the ordinary courts of law, except as explicitly provided for in 18.8.
- 18.3 The Parties to the dispute shall agree on the arbitrator who shall be an attorney or senior advocate (with at least 10 years' experience) on the panel of arbitrators of AFSA. If agreement is not reached within 10 Business Days after any Party calls in writing for such agreement, the arbitrator shall be an attorney or senior advocate (with at least 10 years' experience) nominated by the Chairman of AFSA for the time being.
- 18.4 The request to nominate an arbitrator shall be in writing outlining the claim and any counterclaim of which the Party concerned is aware and, if desired, suggesting suitable nominees for appointment as arbitrator, and a copy shall be furnished to the other Parties who may, within 7 days, submit written comments on the request to the addressee of the request with a copy to the first Party.
- 18.5 The arbitration shall be held in Johannesburg and the Parties shall endeavour to ensure that it is completed within 90 days after notice requiring the claim to be referred to arbitration is given.
- 18.6 The Parties irrevocably agree that, subject to 18.7 any decisions and awards of the arbitrator –

- 18.6.1 shall be binding on them;
- 18.6.2 shall be carried into effect; and
- 18.6.3 may be made an order of any court of competent jurisdiction.
- 18.7 The Parties agree that there shall be a right of appeal against the decision of the arbitrator to an appeal panel of three arbitrators appointed by agreement between the Parties to the dispute, failing which the appeal arbitrators shall be appointed by the Chairman of AFSA.
- 18.8 Nothing contained in this 18 shall prohibit a Party from approaching any court of competent jurisdiction for urgent interim relief pending the determination of the dispute by arbitration. In respect of such proceedings, each of the Parties specifically consents to the non-exclusive jurisdiction of the High Court of South Africa (Gauteng Local Division, Johannesburg).
- 18.9 The provisions of this clause are severable from the rest of this Agreement and shall remain in effect even if this Agreement is terminated for any reason.
- 18.10 The Parties shall keep the evidence in the arbitration proceedings and any order made by any arbitrator confidential unless otherwise contemplated herein.
- 18.11 The arbitrator shall have the power to give default judgment if any Party fails to make submissions on due date and/or fails to appear at the arbitration.

19 MISCELLANEOUS MATTERS

19.1 Any written notice in connection with this Agreement may be addressed –

19.1.1 in the case of the Company to –

address : First Floor, 30 Melrose Boulevard
Melrose Arch
2196

email : rauol@ciglimited.com

and marked for the attention of Rauol Gamsu

19.1.2 in the case of van den Steen to –

address : 1755 Monterey Drive
Sawgrass Village
Dainfern Country and Residential Estate

email : peter@metis.co.za

and marked for the attention of Peter van den Steen

19.2 in the case of Liebenberg to –

address : 5 West Place
Bryanston
2191

email : martin@metis.co.za

and marked for the attention of Martin Liebenberg.

19.2.1 The notice shall be deemed to have been duly given –

19.2.1.1 5 Business Days after posting (14 Business Days if the address is not in the Republic of South Africa), if posted by registered post (airmail, if available) to the Party's address in terms of sub-clause 19.1;

19.2.1.2 on delivery, if delivered to the Party's physical address in terms of either sub-clause 19.1 or sub-clause 19.5 before 17h00 on a Business Day, or if delivered on a Business Day but after 17h00 on that Business Day or on any day other than a Business Day, it will be deemed to have been given at 08h30 on the first Business Day after it was delivered;

19.2.1.3 on despatch, if sent to the Party's then e-mail address before 17h00 on a Business Day or if sent on a Business Day but after 17h00 on that Business Day, or on any day other than a Business Day, it will be deemed to have been given at 08h30 on the first Business Day after it was sent;

unless the addressor is aware, at the time the notice would otherwise be deemed to have been given, that the notice is unlikely to have been received by the addressee through no act or omission of the addressee.

19.3 A Party may change that Party's address or e-mail address for this purpose by notice in writing to the other Party, such change to be effective only on and with effect from the 7th Business Day after the giving of such notice.

19.4 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a Party shall be an adequate written notice or communication to that Party notwithstanding that it was not sent to or delivered at that Party's chosen address in 19.1.

19.5 The Parties choose the physical addresses recorded at 19.1 as the physical addresses at which documents in legal proceedings in connection with this Agreement may be served (ie their *domicilia citandi et executandi*).

- 19.6 A Party may change that Party's address for this purpose to another physical address in the Republic of South Africa by notice in writing to the other Party such change to be effective only on and with effect from the 7th Business Day after the giving of such notice.
- 19.7 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a Party shall be an adequate service of such written notice or communication to that Party notwithstanding that it was not sent to or delivered or served at that Party's chosen *domicilium citandi et executandi*.
- 19.8 This Agreement contains all the provisions agreed on by the Parties with regard to the subject matter of the Agreement and supersedes and novates in its entirety any previous understandings or agreements between the Parties in respect thereof, and the Parties waive the right to rely on any alleged provision not expressly contained in this Agreement.
- 19.9 A Party may not rely on any representation which allegedly induced that Party to enter into this Agreement, unless the representation is recorded in this Agreement.
- 19.10 No contract varying, adding to, deleting from or cancelling this Agreement, and no waiver of any right under this Agreement, shall be effective unless reduced to writing and signed by or on behalf of the Parties.
- 19.11 The grant of any indulgence, extension of time or relaxation of any provision by a Party under this Agreement shall not constitute a waiver of any right by the grantor or prevent or adversely affect the exercise by the grantor of any existing or future right of the grantor.
- 19.12 A Party may not cede any or all of that Party's rights or delegate any or all of that Party's obligations under this Agreement without the prior written consent of the other Party.
- 19.13 This Agreement is to be governed, interpreted and implemented in accordance with the laws of the Republic of South Africa.

- 19.14 The Parties consent to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg for any proceedings arising out of or in connection with this Agreement.
- 19.15 The Company shall bear the legal costs and disbursements of and incidental to the negotiation, preparation, settling, signing and implementation of this Agreement. Any costs, including all legal costs on an attorney and own client basis and VAT, incurred by a Party arising out of or in connection with a breach by another Party shall be borne by the Party in breach.
- 19.16 This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement.
- 19.17 Each of the Parties hereby respectively agrees and acknowledges that –
- 19.17.1 it has been free to secure independent legal advice as to the nature and effect of each provision of this Agreement and that it has either taken such independent legal advice or has dispensed with the necessity of doing so; and
- 19.17.2 each provision of this Agreement is fair and reasonable in all the circumstances and is part of the overall intention of the Parties in connection with this Agreement.

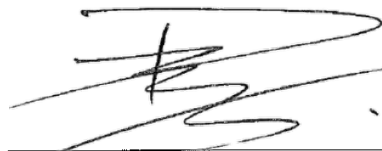
Signed at

Dainfern

on

07 December

2020



PETRUS FRANCOIS VAN DEN STEEN

Signed at Bryanston

on 07 December 2020

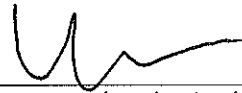


MARTIN DU TOIT LIEBENBERG

Signed at Melm

on 7 December 2020

for **CONSOLIDATED INFRASTRUCTURE
GROUP LIMITED**



who warrants that he is duly
authorised hereto