



BUSINESS RESCUE PLAN

prepared in terms of Section 150 of the Companies Act 71 of 2008
in relation to

**GROUP FIVE LIMITED
(IN BUSINESS RESCUE)**

prepared by the business rescue practitioners:

Peter van den Steen

and

Dave Lake

of

Metis Strategic Advisors Proprietary Limited

Publication Date: 30 August 2019



Corporate Information and Advisor Details

Company

Group Five Construction Proprietary Limited (in business rescue)

Business Rescue Practitioners

David Arthur Charles Lake
Petrus Francois van den Steen

Preparation of Independent Liquidation Report

PriceWaterhouseCoopers

Legal advisors to the Business Rescue Practitioners

Werksmans Inc

Legal Advisors to the Company

Werksmans Inc

Corporate Advisor to the Company

Birkett Stewart McHendrie Proprietary Limited

Restructuring Advisor to the Company

Metis Strategic Advisors

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CHAPTER 1 – INTRODUCTION

1. Definitions and interpretation

- 1.1. 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 nor amplify the terms of this Business Rescue Plan nor any paragraph hereof.
- 1.2. In this Business Rescue Plan, unless the context indicates otherwise, the words and expressions below shall have the following meanings (and cognate expressions shall bear corresponding meanings):
 - 1.2.1. any one gender includes the other gender;
 - 1.2.2. the singular includes the plural and vice versa;
 - 1.2.3. persons include natural persons, created entities (incorporated and unincorporated and the State) and vice versa ("**Person**");
- 1.3. the following terms and / or expressions shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings:
 - 1.3.1. "**Adopted**" and / or "**Adoption**" means that a business rescue plan has been approved in accordance with Section 152(2), read with Section 152(3)(b) and Section 152(3)(c)(ii)(aa), of the Companies Act;
 - 1.3.2. "**Advisors**" means the advisors to the BRPs and / or the Company, including but not limited to those listed on page 2 of this Business Rescue Plan, and the advisors' respective employees or representatives;
 - 1.3.3. "**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, employees and Trade Unions;
 - 1.3.4. "**BRPs**" means the joint business rescue practitioners of the Company appointed in terms of Section 129(3)(b) of the Companies Act on 11 March 2019, being van den Steen and Lake;
 - 1.3.5. "**Business Day**" means any day other than a Saturday, Sunday or official public holiday in South Africa;

- 1.3.6. "**Business Rescue Proceedings**" means the proceedings to facilitate the rehabilitation of the Company, which is Financially Distressed, as provided for in Chapter 6 of the Companies Act;
- 1.3.7. "**Business Rescue Costs**" means the remuneration and expenses of the BRPs and other costs of the Business Rescue Proceedings, including but not limited to legal costs and the costs of the Advisors;
- 1.3.8. "**Business Rescue Plan**" means this document together with all of its annexures, as amended from time to time, prepared in accordance with Section 150 of the Companies Act;
- 1.3.9. "**Cenpower**" means Cenpower Generation Company Limited, a company incorporated in Ghana with its registered address at 15 Onyaa Street, Kokomlemle, Accra;
- 1.3.10. "**CIPC**" means the Companies and Intellectual Property Commission, established in terms of Section 185 of the Companies Act;
- 1.3.11. "**Commencement Date**" means 11 March 2019, being the date upon which Business Rescue commenced in accordance with Section 129(1) of the Companies Act;
- 1.3.12. "**Company**" means Group Five Limited, registration number 1969/000032/06, a company incorporated in accordance with the laws of South Africa, at present under Business Rescue Proceedings;
- 1.3.13. "**Companies Act**" means the Companies Act 71 of 2008, as amended, including the regulations promulgated thereunder;
- 1.3.14. "**Concurrent Creditors**" means all Creditors with unsecured claims, other than Disputed Creditors and Contingent Creditors;
- 1.3.15. "**Contingent Creditors**" means potential future Creditors whose claims are contingent upon future events, and are thus not entitled to cast a vote in respect of the Business Rescue Plan;
- 1.3.16. "**Creditors**" means creditors to whom monies are owed by the Company and who have been accepted as such by the BRPs and are therefore not Disputed Creditors;
- 1.3.17. "**Disputed Claims**" means any claim, or part thereof, not recognised in this Business Rescue Plan;
- 1.3.18. "**Disputed Creditors**" means persons who have Disputed Claims or allege that they are Creditors, but who dispute the amount for which their Claim is reflected

in Annexure B, who dispute the class in which they are reflected in Annexure B, and / or who dispute the existence and / or value of their security as reflected in Annexure B;

- 1.3.19. "**Dispute Resolution Mechanism**" means the dispute resolution mechanism set out in paragraph 10.
- 1.3.20. "**Distribution/s**" means any amount payable to Creditors as provided for in this Business Rescue Plan;
- 1.3.21. "**Everite**" means Everite Proprietary Limited, registration number 1941/014582/07, a company registered and incorporated in accordance with the laws of South Africa;
- 1.3.22. "**Expunged**" means the full and final extinguishing of claims, or portions of claims, in terms hereof, and which claims, or portions of claims, are consequently no longer enforceable and recoverable;
- 1.3.23. "**Financially Distressed**" or "**Financial Distress**" bears the meaning ascribed thereto in Section 128(1)(f) of the Companies Act;
- 1.3.24. "**Financial Guarantees**" means performance guarantees, retention guarantees and advance payment guarantees;
- 1.3.25. "**Government**" means the Government of South Africa;
- 1.3.26. "**Group**" means the group of companies comprising the Company, Group Five Construction and all of their directly and indirectly held Subsidiaries;
- 1.3.27. "**Group Five Construction**" means Group Five Construction Proprietary Limited, registration number 1974/003166/07, a company registered and incorporated in accordance with the laws of South Africa, currently in business rescue;
- 1.3.28. "**Group Five Construction Business Rescue Plan**" means the business rescue plan to be published in respect of Group Five Construction, together with all its annexures, as amended from time to time, and prepared in accordance with Section 150 of the Companies Act;
- 1.3.29. "**High Court**" means the High Court of South Africa;
- 1.3.30. "**Insolvency Law**" means the Insolvency Act 24 of 1936, as amended;
- 1.3.31. "**JSE**" means the Johannesburg Stock Exchange;

- 1.3.32. "**Lake**" means David Charles Lake (identity number 580704 5324 186), a business rescue practitioner as contemplated in Regulation 126 of the Companies Act;
- 1.3.33. "**Lenders**" means The Standard Bank of South Africa (acting in various capacities), Absa Bank Limited, FirstRand Bank Limited, HSBC Bank plc and Lombard;
- 1.3.34. "**Lombard**" means Lombard Insurance Company Limited, registration number 1990/001253/06, a company registered and incorporated in accordance with the company laws of South Africa;
- 1.3.35. "**Management**" means the management team who had, and continues to have, the delegated and supervised responsibility of managing the day-to-day operations of the Company as at the Commencement Date;
- 1.3.36. "**Metis Strategic Advisors**" means Metis Strategic Advisors Proprietary Limited, registration number 2015/220685/07, a company registered and incorporated in accordance with the laws of South Africa;
- 1.3.37. "**Preferent Creditors**" means Creditors who have a preferent unsecured claims against the Company as envisaged in Chapter 6 of the Companies Act and / or Insolvency Law 24 of 1936, as the case may be, and as the context determines;
- 1.3.38. "**Proposals**" means the proposals made to Affected Persons in terms of this Business Rescue Plan;
- 1.3.39. "**Publication Date**" means the date on which this Business Rescue Plan is published in accordance with terms of Section 150(5) of the Companies Act, being 30 August 2019;
- 1.3.40. "**PwC**" means PricewaterhouseCoopers Advisory Services Proprietary Limited, registration number 1999/024417/07, a company incorporated in accordance with the laws of South Africa;
- 1.3.41. "**Rand**" or "**R**" or "**ZAR**" means the lawful currency of South Africa;
- 1.3.42. "**SARS**" means the South African Revenue Services;
- 1.3.43. "**Secured Creditor**" means a Creditor who holds security for a claim against the Company;
- 1.3.44. "**South Africa**" means the Republic of South Africa;
- 1.3.45. "**Subsidiary**" or "**Subsidiaries**" shall bear the meaning as defined in Section 3 of the Companies Act;

- 1.3.46. "**Substantial Implementation Date**" means the date upon which the BRPs file a notice with the CIPC pursuant to the events contemplated in paragraph 8.4 having occurred and whereupon the Business Rescue Proceedings will terminate;
- 1.3.47. "**Tax**" or "**Taxation**" means any tax payable to SARS in terms of the laws of South Africa;
- 1.3.48. "**van den Steen**" means Petrus Francois van den Steen (identity number 6811075024087), a business rescue practitioner as contemplated in Regulation 126 of the Companies Act;
- 1.3.49. "**VAT**" means the value-added tax levied in terms of the Value-Added Tax Act 89 of 1991, as amended;
- 1.3.50. "**Werksmans**" means Werksmans Incorporated (registration number 1990/007215/21), a South African firm of attorneys practising as such at The Central, 96 Rivonia Road, Sandton;
- 1.4. 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.
- 1.5. Any reference in the Business Rescue Plan to any other agreement or document shall be construed as a reference to such other agreement or document as same may have been, or may from time to time be, amended, varied, novated or supplemented.
- 1.6. 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.
- 1.7. Where any term is defined in this Business Rescue Plan within a paragraph other than this paragraph 1, that term shall bear the meaning ascribed to it in that paragraph wherever it is used in this Business Rescue Plan.
- 1.8. 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.
- 1.9. 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 relevant.
- 1.10. Words or terms that are capitalised and not otherwise defined in the narrative of this Business Rescue Plan (excluding capitalised words or terms used for the purpose of tables and / or headings) shall bear the meaning assigned to them in the Companies Act.

- 1.11. The use of the word "including", "includes" or "include" followed by a specific example/s 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 example/s.
- 1.12. 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 of Section 7(k) and Chapter 6 of the Companies Act.
- 1.13. Unless otherwise stated, all references to sections are references to sections in the Companies Act.

2. Structure of this Business Rescue Plan

- 2.1. The Company is a non-operational holding company only. The Company is the sole shareholder of Group Five Construction, which is the principal operating company holding all but one of the Group's Subsidiaries.
- 2.2. The Company directly holds one other Subsidiary, this being Everite.
- 2.3. The only other asset of the Company of relevance is a claim the Company has against Group Five Construction, which claim has been subordinated to other Group Five Construction claims.
- 2.4. Each of the Company and Group Five Construction is under its own legally separate business rescue proceedings. This document reflects the Business Rescue Plan in respect of the Company only.
- 2.5. For the purposes of Section 150(2) of the Companies Act, this Business Rescue Plan is divided into several chapters.

2.5.1. Chapter 1 – Introduction

This chapter sets out general information about the Business Rescue Plan, including with whom Affected Persons should engage for independent advice, as well as a summary of the Proposals in terms of this Business Rescue Plan.

2.5.2. Chapter 2 – Proposals

This chapter provides details on the Proposals and is set out in the form required by the Companies Act.

2.5.2.1. Part A – Background (Section 150(2)(a))

This part sets out the background to the Company, the circumstances that resulted in the Company's Financial Distress and an overview of Business Rescue Proceedings.

2.5.2.2. Part B – Proposals (Section 150(2)(b))

This part describes the Proposals, including the effects, benefits and risks of adopting the Business Rescue Plan.

2.5.2.3. Part C – Assumptions and conditions (Section 150(2)(c))

This part sets out the conditions that need to be fulfilled in order for the Business Rescue Plan to be implemented and become effective, the assumptions applied in respect of the Proposal and when the Business Rescue Proceedings will have been substantially implemented and the Business Rescue Proceedings terminated.

2.5.3. Chapter 3 – General

This chapter sets out certain administrative and general matters pertaining to the Business Rescue Proceedings and the Business Rescue Plan.

2.5.4. Chapter 4 – Conclusion and BRPs' certificate

The chapter contains the BRPs' recommendation and the certificate that is required to accompany each business rescue plan in terms of the Companies Act.

2.6. Unless indicated otherwise, all figures represented in this document are as at 28 February 2019, being the closest practical date to the Commencement Date.

3. Actions to be taken by Affected Persons

- 3.1. Affected Persons are advised to consult an independent attorney, accountant or other professional advisor in respect of this Business Rescue Plan, as may be required.
- 3.2. Nothing contained in the Business Rescue Plan shall constitute tax, accounting or legal advice to any Affected Person, and the BRPs do not make any representations in respect thereof, other than as may be expressly stated in this Business Rescue Plan.
- 3.3. The BRPs shall not be responsible for any acts taken by (or omissions arising from) any Affected Person's reliance on this Business Rescue Plan.

4. Notifications

- 4.1. Insofar as possible, notice has been given to the Affected Persons, in terms of the Companies Act and the Regulations thereto, that the Company has been placed under Business Rescue Proceedings and placed under the control and supervision of the BRPs, in accordance of the Companies Act.
- 4.2. In terms of Section 150(5) of the Companies Act, the Business Rescue Plan was required to be published on 16 April 2019. However, the BRPs obtained approval for an extension for the publication of the Business Rescue Plan to 28 June 2019 at the first statutory meeting of Creditors. Thereafter, on 27 June 2019, a further extension for the publication of the Business Rescue Plan to 30 August 2019 was approved. Affected Persons were duly notified of these approvals. No further extensions have been approved.
- 4.3. Regular updates relating to the Business Rescue Proceedings have been provided to Affected Persons in accordance with Section 132(3)(a) of the Companies Act.
- 4.4. The BRPs have taken all reasonable steps to ensure that all Affected Persons have been notified that the Business Rescue Plan has been published and is available for consideration. All notices issued in respect of the publication of the Business Rescue Plan contained details of the meeting of Affected Persons to consider and vote on the Business Rescue Plan.
- 4.5. The abovementioned notifications and other information relating to the Business Rescue Proceedings can be accessed on the Company's website, being http://www.g5.co.za/group_five_limited.php.

5. Summary of the Proposals in terms of the Business Rescue Plan

5.1. Consultation

- 5.1.1. In preparing the Business Rescue Plan, the BRPs have consulted with, and taken into consideration where relevant, the views expressed by Affected Persons, other stakeholders and their legal representation.
- 5.1.2. The BRPs invited shareholders to engage with the BRPs in a formal meeting on 20 June in terms of Section 146(c) of the Companies Act. A handful of shareholders took up the opportunity to attend this meeting.
- 5.1.3. Both prior to and subsequent to this formal meeting, the BRPs engaged informally with individuals and advisors representing a small group of shareholders.
- 5.1.4. It is recorded that, at the formal meeting on the 20th of June, the abovementioned group of shareholders of the Company requested that the BRPs provide them with certain confidential Company information ("**Company Confidential**

Information") in order to conduct a forensic investigation in respect of the Company.

- 5.1.5. Subsequent to the formal meeting, the relevant shareholders formally requested access to Company Confidential Information in terms of the Promotion of Access to Information Act (No 2 of 2000). The shareholders have, in addition, requested the BRPs to conduct a forensic investigation of matters that occurred prior to the Commencement Date. These shareholders have threatened to interdict the Business Rescue Proceedings and to have the BRPs removed as business rescue practitioners of the Company.
- 5.1.6. The BRPs have sought appropriate legal advice on these matters and the Company's attorneys are engaging with the shareholders' attorneys in this regard.

5.2. Approach to the Business Rescue Plan

- 5.2.1. As noted above, the Company directly owns only two Subsidiaries, these being Group Five Construction and Everite. Group Five Construction owns, directly or indirectly, all of the other assets and companies of the Group.
- 5.2.2. The Company itself has no material assets other than its shareholding interest in these two companies and its subordinated claim against Group Five Construction.
- 5.2.3. The Company and several other companies within the Group (including Everite) guaranteed to the Lenders the repayment of a R650 million bridge loan as well as other financial obligations of Group Five Construction.
- 5.2.4. Security was provided to the Lenders over, among other things, the Everite shares.
- 5.2.5. Following the termination of the Kpone Project, payment in the amount of US\$106,5 million (c.R1.5 billion) was demanded by Cenpower from the Financial Guarantee providers, as a result of which the Company became indebted to such Financial Guarantee providers under counter-indemnity arrangements which came into force when payment was made by the Financial Guarantee providers. Such indebtedness remains outstanding.
- 5.2.6. In addition to this, the Group Five Construction bridge loan is in default.
- 5.2.7. Claims by the Lenders in respect of this security have crystallised, and such claims against the Company materially exceed the anticipated value to be realised by the Company from the disposal of the Everite business.
- 5.2.8. The value and recoverability to the Company of its equity in and claim against Group Five Construction is dependent on the outcome of the legally separate

business rescue proceedings underway in respect of Group Five Construction. The business rescue plan for Group Five Construction records that:

- 5.2.8.1. the Company's loan claims against Group Five Construction are subordinated and will not, as such, realise any benefit (distributions) from the Group Five Construction business rescue proceedings; and
- 5.2.8.2. the shares in Group Five Construction will not receive any residual value on the completion of the Group Five Construction business rescue proceedings.

5.2.9. The high degree of Financial Distress in the Company at the commencement of the Business Rescue Proceedings was therefore dominated by material levels of crystallised debt obligations, with only security-restricted assets (i.e. Everite) being available to the Company.

5.2.10. Further Contingent Claims arising from parent company Financial Guarantees given in respect of other Group company obligations are likely to arise in the future.

5.2.11. Returning the Company to solvency in its current structure would not be possible without the injection of a significant sum of new equity capital, which capital was neither available nor commercially feasible.

5.2.12. As a result, the Business Rescue Proceedings have necessitated an approach which primarily contemplated "a better return for the company's creditors or shareholders than would result from the immediate liquidation of the company", as provided for in Section 128(1)(b)(iii) of the Companies Act.

5.2.13. Subject to the Adoption of this Business Rescue Plan, Everite will be disposed of. The Lenders, by way of a special purpose vehicle, are the beneficiaries of a pledge and cession over the shares in and claims against Everite as well as any distributions by Everite. As a result, the Lenders, as Secured Creditors, will be the only party to benefit from the net proceeds derived from the sale of Everite.

5.3. Benefits of the Business Rescue Plan

The benefits to Affected Persons of adopting the Business Rescue Plan compared to a liquidation are as follows:

5.3.1. Creditors

- 5.3.1.1. Secured Creditors represent 97.64% of total Creditors. The return to the Secured Creditors is anticipated to be materially higher, if the Proposals in this Business Rescue Plan are successfully



implemented, than would be the case under the alternative scenario of the immediate liquidation of the Company.

- 5.3.1.2. Regrettably, it is not anticipated at this time that there will be any return to the Company's Creditors other than to the Secured Creditors.
- 5.3.1.3. The liquidation scenario as set out in the PwC report reflects lower returns for Secured Creditors (and therefore to the Creditor body as a whole) than those anticipated in this Business Rescue Plan.
- 5.3.1.4. The liquidation scenario as set out in the PwC report reflects zero returns for Concurrent Creditors, consistent with those anticipated in this Business Rescue Plan.

5.3.2. Shareholders

- 5.3.2.1. Regrettably, it is not anticipated at this time that there will be any return to the Company's shareholders as a result of the Company's creditors not being settled in full, and the Secured Creditors holding full security over the only asset directly held by the Company that has any material realisable value.
- 5.3.2.2. This is consistent with the expectation (as arrived at by PwC) in a liquidation scenario.

5.4. Opinion of the BRPs

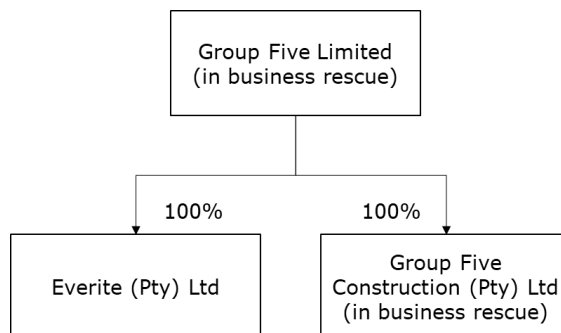
It is the opinion of the BRPs that there remains a reasonable prospect of a successful rescue of the Company within the meaning of the Companies Act. The Proposals contained in this Business Rescue Plan are reasonably anticipated to result in a better return to Creditors than would have resulted from an immediate liquidation of the Company.

CHAPTER 2 – PROPOSALS

6. Part A – Background

6.1. Corporate and shareholding structure

6.1.1. A corporate structure of the Company has been provided below:



6.1.2. As at the Publication Date, the issued share capital of the Company comprised 112 258 283 ordinary shares. The Company is listed on the JSE, with its share being suspended on the Commencement Date.

6.2. Directors

As at the Publication Date, the Directors and officers of the Company, according to the CIPC, were:

Item	Name of Director	Role	Date of Appointment
1	Jacqueline Huntley	Director	24 July 2017
2	Anthony John Clacher	Director	12 Dec 2018
3	Thabo Clifford Kgogo	Director	24 July 2017

6.3. Company information as at the Commencement Date

Financial year end	30 June
Registered business address	2 Eglin Road Sunninghill Gauteng 2191
Postal address	Private Bag x26 Sunninghill



	South Africa Gauteng 2157
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6.4. Company background

6.4.1. The Company is listed on the JSE and has only two directly held subsidiaries, these being Group Five Construction and Everite. Group Five Construction is subject to its own legally separate business rescue proceedings.

6.5. Reasons for the Company's Financial Distress

6.5.1. The Group (on a consolidated basis) incurred financial losses of approximately R800 million (as reflected in the published financial statements) for the year ended 30 June 2017, and further losses of R1.3 billion in the year to June 2018.

6.5.2. Group Five Construction obtained bridge funding in the amount of R650 million from the Lenders in April 2018. In return for the provision of the bridge funding, the Company and several other companies within the Group guaranteed to the Lenders the repayment of the bridge loan as well as other obligations of Group Five Construction and / or its Subsidiaries. As security for the bridge loan and the other obligations of the Group to the Lenders, security was provided to the Lenders over, among other things, the Everite business. The bridge loan is in default.

6.5.3. Following the termination of the Kpone Project, payment in the amount of US\$106 million (approximately R1.5 billion) was demanded by Cenpower from the Financial Guarantee providers under the Financial Guarantees that were issued in respect of the Kpone Project.

6.5.4. Due to the call by Cenpower on the bonds issued by HSBC and Standard Chartered Bank (secured by Lombards), and the guarantee arrangements, the Company itself became indebted to the Lenders in an aggregate amount of US\$106 million (approximately R1.5 billion) and was therefore Financially Distressed.

6.5.5. Further to the cumulative R2.1 billion losses incurred in the 2017 and 2018 financial years, management accounts for the Group prepared for the 8-month period to 28 February 2019 indicated that a further approximately R2.3 billion of losses were incurred in that period. Major losses and material negative cash flows were forecast for the Group for the balance of the 2019 calendar year.

6.5.6. As a result, in February 2019, the Company and Group Five Construction sought additional bridge funding from the Lenders, but this request was declined.

- 6.5.7. The Company approached its major shareholders, in late 2018 and early 2019, to request support for a material rights offer to recapitalise the Group, but the shareholders approached advised the Company that the conditions were not suitable for them to provide support for the proposed rights offer.
- 6.5.8. As co-principal obligor with Group Five Construction, the Company was consequently Financially Distressed and unable to meet its financial obligations.
- 6.5.9. In the absence of obtaining further funding, the commencement of business rescue proceedings for the Company was inevitable, with the only realistic alternative being liquidation proceedings.
- 6.5.10. Accordingly, the boards of directors of both the Company and Group Five Construction filed resolutions voluntarily commencing Business Rescue Proceedings for the respective companies on 11 March 2019, following which the BRPs were appointed.

6.6. Business rescue

As provided for in the Companies Act, business rescue aims to facilitate the rehabilitation of a company that is Financially Distressed by providing for, among other things:

- 6.6.1. the temporary supervision of a company by one or more business rescue practitioners, and of the management of its affairs, business and property by such persons; and
- 6.6.2. a temporary moratorium on the rights of claimants against a company or in respect of property in its possession.

6.7. Objective of business rescue

- 6.7.1. The objective of Business Rescue is the development and implementation, if approved, of a plan which:
 - 6.7.1.1. rescues a 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; or
 - 6.7.1.2. results in a better return for the company's creditors or shareholders than would result from the immediate liquidation of the company.
- 6.7.2. The only significant assets of the Company comprise shares in Everite (100% thereof), share in Group Five Construction (100% thereof) and claims against Group Five Construction. The shares and claims in Group Five Construction will not realise any value from the legally separate Group Five Construction business

rescue proceedings. The only asset that will realise any proceeds for the Company is its shareholding in Everite.

6.7.3. Everite is in the process of being disposed of. The Lenders are the beneficiaries of a pledge and cession of the shares in and claims against Everite as well as any distributions by Everite (by way of a special purpose vehicle established in respect of the Lenders' security rights). As a result of this, the Lenders will be the only recipients of any net proceeds derived from the sale of Everite.

6.7.4. The net effect of this Business Rescue Plan will therefore be the disposal of Everite under a controlled sale process in an endeavour to optimise the value realisation therefrom and distribution of the net proceeds (after costs) to the Lenders (being Secured Creditors).

6.8. Business rescue events

6.8.1. The table below sets out the salient dates on which certain events have taken place, and which will take place, during the Business Rescue Proceedings.

6.8.2. All notices that have been circulated to the Affected Persons of the Company and of Group Five Limited can be obtained from the Company's website, being http://www.g5.co.za/group_five_limited.php.

Event	2019
Board resolution to commence Business Rescue Proceedings	11 Mar
Board resolution filed with the CIPC	11 Mar
Commencement of Business Rescue Proceedings	11 Mar
Appointment of BRPs	11 Mar
First statutory meeting of Creditors	26 Mar
Request and approval for extension of publication of Business Rescue Plan to 28 June	26 Mar
First claims deadline	15 May
Notice of Business Rescue Proceedings published in the Government Gazette	31 May
Notice of Business Rescue Proceedings published in The Star Newspaper	31 May
Notice of Business Rescue Proceedings published in Die Beeld	31 May
Publication of Business Rescue Proceedings Status Update Report	11 Jun
Presentation and consultation with the shareholders of Group Five Limited	20 Jun
Approval of extension for publication of Business Rescue Plan to 30 August	27 Jun
First extension of claims deadline	30 Jun
Publication of Business Rescue Proceedings Status Update Report	11 Jul
Notice of extension of Publication Date of the Business Rescue Plan published in The Star Newspaper	26 Jul
Notice of extension of Publication Date of the Business Rescue Plan published in Die Beeld	26 Jul

Notice of extension of Publication Date of the Business Rescue Plan published in the Government Gazette	02 Aug
Publication of Business Rescue Status Update Report	15 Aug
Publication of Business Rescue Plan	30 Aug

6.9. Estimation of the probable liquidation dividend

- 6.9.1. The BRPs appointed PwC as independent experts to determine an estimate of the probable recovery for each Creditor if the Company were to have been placed into liquidation on 28 February 2019.
- 6.9.2. As the financial information as at the Commencement Date was not available, the closest practical date to the Commencement Date has been used by PwC, this being the month end of February 2019.
- 6.9.3. The following table has been extracted from the report provided to the BRPs by PwC showing the estimated probable dividends which Creditors would receive if the Company had been liquidated as at 28 February 2019:

Liquidation as at 28 February 2019				
Illustrative aggregated recoveries from the Company and its subsidiaries				
Creditor	Total claim	Total (Adjusted) awards	Cents / Rand recoveries	Shortfall
HSBC	230 814 000	0	0	(230 814 000)
Standard Bank	179 427 000	0	0	(179 427 000)
ABSA	175 616 000	0	0	(175 616 000)
FirstRand	64 143 000	0	0	(64 143 000)
Total bridge lender recoveries	650 000 000	0	0	(650 000 000)
HSBC	875 598 900	198 002 485	22.6	(677 596 415)
Lombard	642 235 433	0	0	(642 235 433)
Total Kpone funder recoveries	1 517 834 333	198 002 485		(1 319 831 849)
Employees	3 500 000	0	0	(3 500 000)
SARS	0	0	0	0
Total preferent creditor recoveries	3 500 000	0	0	(3 500 000)
Standard Bank	378 102 804	2 926 050	0.8	(375 176 754)
ABSA	452 480 330	3 501 641	0.8	(448 978 689)
FirstRand	72 135 093	0	0	(72 135 093)
Nedbank	24 152 825	0	0	(24 152 825)
CGIC	38 955 258	0	0	(38 955 258)
Constantia	1 183 598	0	0	(1 183 598)
Payment guarantee – KBC Bank	83 919 910	0	0	(83 919 910)
Lombard	791 724 738	0	0	(791 724 738)

Total payment guarantor recoveries	1 842 654 555	6 427 691	0	(1 836 226 864)
Share-based payment liability	138 000	0	0	(138 000)
Total other concurrent creditor recoveries	138 000	0	0	(138 000)
Total	4 014 126 889	204 430 176	5.1	(3 809 696 712)

The relevant notes in relation to the table above has been extracted directly from the PwC report and reproduced as provided by PwC below:

1. *"The calculation as presented [above] is based on the (unaudited) management accounts position as at 28 February 2019:*
 - *It is illustrative only – reflecting an estimation of what creditors could have recovered under liquidation – in the event that liquidation were to have been pursued immediately as the alternative to business rescue;*
 - *Recoveries as presented have been adjusted to reflect the net present value of an assumed five year liquidation proceeding (using a 15% discount rate, with secured recoveries assumed within one year, balance assumed to be recovered evenly over five years).*
2. *Asset realisations in the GFL group are, in the context of the of the illustrative liquidation calculation, in the main predicated on an 'ex-situ' break up or fire sale basis. In addition to this, given that GFL group trading companies are inextricably linked both operationally and financially, we have assumed a concurrent breakup (or going concern sale) of all subsidiary companies across the group.*
3. *Estimated recoveries in the GFL group for GFL (entity) creditors as presented [above] are limited primarily to recoveries expected from one of GFL's main South African subsidiaries, being Everite:*
 - *HSBC holds a first ranking charge over the manufacturing assets in respect of the Kpone overdraft;*
 - *No other realisable assets exist within GFL in its own right.*
4. *Creditor claims in GFL reflect both those liabilities as reported, in addition to expected concurrent claims from the Bridge lenders (via the security SPV), the Kpone overdraft and payment guarantors – no recoveries are expected to be available for most concurrent creditors at GFL level*
5. *No recoveries from GFL's main subsidiary – Group Five Construction (Pty) Limited (GFC) – are anticipated, with concurrent creditors in GFC expected to suffer a*

significant shortfall. This report should be read in conjunction with the detailed analysis provided in the GFC report – the detail behind which has not been repeated here (this report highlighting recoveries for GFL’s creditors only).“

6.10. Holders of the issued securities of the Company

6.10.1. The Company is listed on the JSE. Accordingly, the shares of the Company are widely held.

6.11. Material assets and security

6.11.1. A list of the material assets of the Company at book value and the security given in relation thereto is set out in Annexure A.

6.12. Creditors of the Company

6.12.1. A list of the Creditors of the Company is set out in Annexure B.

6.12.2. Annexure B indicates which Creditors are Secured Creditors, Preferent Creditors or Concurrent Creditors.

6.12.3. A summary of the Creditors’ voting interests has been provided in the table below:

Type	Category	Pre BR (R’m)	Vote (R’m)	% vote
Secured	Bridge Loan	0	0	0%
	Guarantees Crystallised	1 666	1 666	98%
	Financial Guarantees	0	0	0%
	Mortgages	0	0	0%
		1 666	1 666	98%
Preferred	PCF employees	0	0	0%
		0	0	0%
Concurrent	Creditors	0	0	0%
	Financial Guarantees	40	40	2%
		40	40	2%
Subordinated	Inter Company Loans	0	0	0%
		0	0	0%
TOTAL		1 706	1 706	100%

6.13. Creditors' meetings

6.13.1. A first meeting of Creditors, as contemplated in Section 147 of the Companies Act, was convened on 26 March 2019.

6.14. Creditors' Committee

Section 145(3) of the Companies Act provides that the Creditors of the Company are entitled to form a Creditors' Committee, and through that committee are entitled to be consulted by the BRPs during the development of the Business Rescue Plan. No Creditors' Committee was proposed by Creditors or formed for the Company.

6.15. Management control

In terms of Section 140(1)(a) of the Companies Act, the BRPs took full management control of the Company and delegated certain functions to Management in terms of Section 140(1)(b) of the Companies Act.

6.16. Reporting to CIPC

The BRPs have complied with all statutory obligations under Chapter 6 of the Companies Act and will continue to render monthly update reports to the CIPC and Affected Persons as contemplated in Section 132(3) of the Companies Act.

6.17. Investigations

6.17.1. Section 141(1) of the Companies Act requires that: "As soon as practicable after being appointed, a practitioner must investigate the company's affairs, business, property, and financial situation, and after having done so, consider whether there is any reasonable prospect of the company being rescued".

6.17.2. In the course of their investigations, into whether or not a reasonable prospect exists for the Company to be rescued, the BRPs have concluded that there is a reasonable prospect of the Company being rescued.

6.17.3. Furthermore, if in the course of such an investigation (i.e. to consider whether or not there is a reasonable prospect that the Company can be rescued), a business rescue practitioner concludes that there is evidence of the misconduct as contemplated in Section 141(2)(c) of the Companies Act, then the business rescue practitioner must forward that evidence to the relevant authorities for further investigation and direct the management of the Company to take any necessary steps to rectify the matter.

6.17.4. The BRPs have to date not found, or been presented with, cogent evidence of any misconduct that would require the BRPs to take the requisite steps as contemplated in Section 141(2)(c).

6.18. Extension of the date for publication of Business Rescue Plan

6.18.1. In terms of Section 150(5) of the Companies Act, the Business Rescue Plan was required to be published on 16 April 2019 (i.e. within 25 days from the date of the appointment of the BRPs).

6.18.2. The BRPs obtained an extension as contemplated in Section 150(5)(b) of the Companies Act for the publication of the Business Rescue Plan on 28 June 2019 at the first statutory meeting of creditors.

6.18.3. Thereafter, on 27 June 2019, a further extension was granted, as contemplated in Section 150(5)(b) of the Companies Act, for publication of the Business Rescue Plan on 30 August 2019.

6.18.4. No further extensions have been granted.

6.19. BRPs' remuneration

Given that the bulk of the work performed by the BRPs has been and will continue to be in relation to matters directly relevant to Group Five Construction and its Subsidiaries, the BRPs have concluded a remuneration agreement with Group Five Construction which is included in the Group Five Construction Business Rescue Plan. The BRPs have not concluded any remuneration agreement with the Company.

6.20. Proposals made informally by a Creditor

In terms of Section 150(2)(a)(vi) of the Companies Act, no informal proposals have been made by a Creditor or Creditors of the Company with regard to this Business Rescue Plan.

7. Part B - Proposals

7.1. Objective of the Proposals

The purpose of the business rescue provisions as set out in Section 7(k) of the Companies Act is to provide for the efficient rescue and recovery of Financially Distressed companies in a manner that balances the rights and interests of all relevant stakeholders.

7.2. Formulation of Proposals

In preparing the Business Rescue Plan, the BRPs have consulted with and taken the views expressed by Affected Persons and other stakeholders into consideration. The BRPs have been constrained in their deliberations by the reality of the circumstances facing the Company. These include, *inter alia*:

- the high level of actual indebtedness,
- material contingent liabilities,
- security arrangements entered into between the Lenders and the Company prior to the Business Rescue Proceedings,
- the restrictive security arrangements in place in respect of Everite (the only material asset of value held by the Company),
- the factual position that the liabilities of the Company materially exceed the value of the assets of the Company, and
- the legally separate business rescue proceedings underway in respect of Group Five Construction.

7.3. Moratorium

7.3.1. The moratorium imposed by Section 133 (as read with Section 150(2)(b)(i)) 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 being proceeded with for the duration of the Business Rescue Proceedings.

7.3.2. This means, among other things, that no Person is entitled to proceed in any forum against the Company for non-payment of debts during Business Rescue unless the BRPs or the High Court consent thereto.

7.3.3. The intention of a moratorium is to give the Company breathing space and to provide the Company with the best possible opportunity to develop and successfully implement the Business Rescue Plan.

7.3.4. The moratorium in relation to the Company took effect on the Commencement Date and is expected to remain in place until the termination of Business Rescue Proceedings.

7.4. Creditor Claims

- 7.4.1. The BRPs will accept the Company records as being correct unless the claimant can prove otherwise.
- 7.4.2. Claims that do not reflect in Annexure B of this Business Rescue Plan are Disputed Claims, and will not carry a vote in respect of the Business Rescue Plan and will be dealt with in accordance with the Dispute Resolution Mechanism contemplated in 10.
- 7.4.3. The claims that the BRPs have accepted, in whole or in part, are set out in Annexure B.
- 7.4.4. All persons who believe that they have a claim against the Company are referred to Annexure B and should treat Annexure B as the BRPs notification of the claims that have been accepted in these Business Rescue Proceedings. If any Person is in disagreement with the information provided in Annexure B (being a Disputed Creditor), such Person should utilise the Dispute Resolution Mechanism set out in paragraph 10.
- 7.4.5. All persons who are not recognised as Creditors in terms of Annexure B must follow the Dispute Resolution Mechanism.

7.5. Exchange rate

The exchange rate in respect of all claims expressed in a foreign currency will be converted to Rands by applying the appropriate exchange rate ruling as at the Commencement Date.

7.6. Interest on claims

- 7.6.1. The claims of Creditors, other than the Lenders, shall bear no interest in the Pre-Plan Period.
- 7.6.2. Upon Adoption of the Business Rescue Plan, no further interest will accrue on any claims and is hereby waived.

7.7. Ongoing role of the Company and the treatment of existing contracts

- 7.7.1. Suspension of contracts

Section 136(2)(a) of the Companies Act allows the BRPs to entirely, partially or conditionally suspend, for the duration of the Business Rescue Proceedings, 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 Proceedings. Accordingly, the BRPs



have suspended the Company's obligations under certain agreements that will become due during Business Rescue Proceedings and have reserved the right to continue to do so as necessary.

7.7.2. Cancellation of contracts

The BRPs have the right, in terms of Section 136(2)(b) of the Companies Act, to entirely, partially or conditionally cancel any contract (whether or not they are entitled to do so in terms of the terms of the contract) on application to court. The BRPs reserve the right to terminate any agreement that they deem necessary, on application to the High Court, in accordance with the provisions of Section 136(2)(b) of the Companies Act.

7.7.3. Continuation of contracts

Where the BRPs determine it to be in the best interests of Creditors to continue with contracts, the contracts have continued and remained in full force and effect.

7.7.4. Other contracts

Contracts not specifically dealt with in the above paragraphs are subject to ongoing evaluation and negotiations by the BRPs in an effort to mitigate risks and optimise the Distribution.

7.8. Payment waterfall

7.8.1. In terms of Section 135 of the Companies Act, to the extent that there are funds available to pay Creditors, the Distributions to Creditors will be made in the following order of priority in terms of the Business Rescue Plan and while the Company is under Business Rescue Proceedings:

7.8.1.1. Business Rescue Costs;

7.8.1.2. Employees as a result of their employment during Business Rescue Proceedings (and to the extent that they have not been paid for, or in relation to, their services during Business Rescue Proceedings);

7.8.1.3. Unsecured PCF Creditors, who will rank in the order in which such PCF is provided;

7.8.1.4. Employees in respect of claims that arose prior to the Commencement Date;

7.8.1.5. Concurrent Creditors.

- 7.8.2. Secured Creditors will be paid the net (after costs) proceeds, up to the value of their claim, on realisation of the relevant encumbered asset.
- 7.8.3. To the extent that all or part of the claim of any Secured Creditor is not satisfied from the net (after costs) proceeds from the disposal of the relevant security asset(s), the balance of such claim shall be treated as being part of Concurrent Creditors.

7.9. Key facets of the Proposals

- 7.9.1. The Business Rescue Costs relating to the Company will be funded by Group Five Construction. Group Five Construction benefits from the Proposals in that they will have the effect of reducing the amount of Secured Creditor claims that will arise in that business rescue as a consequence of the obligation within the Company to partially settle the Secured Creditors claims against the Company.
- 7.9.2. The BRP's will manage a controlled sale process for the disposal of the Everite business and, as part of that process, will provide for the liabilities and contingent liabilities within the Everite business.
- 7.9.3. In relation to the Everite disposal, upon Adoption of this Business Rescue Plan, the BRPs will rely on:
 - 7.9.3.1. the exemption from the required approvals for fundamental transactions in terms of an Adopted business rescue plan, per S115(1)(a)(ii) of the Companies Act;
 - 7.9.3.2. the rights provided to the BRPs in relation to the disposal of property of the Company in terms of Section 134(1)(a) of the Companies Act; and
 - 7.9.3.3. the dispensations provided by the JSE in terms of which the Company has been released from various Listings Requirements of the JSE by nature of the Company being in Financial Distress.
- 7.9.4. Net proceeds from the disposal of the Everite business, less related costs, will be distributed to the Secured Creditor.
- 7.9.5. The business of the Company will thereafter be wound up appropriately.
- 7.9.6. The BRPs will engage with the JSE to discuss the termination of the Company's listing on the JSE in due course.

7.10. Estimated Distributions

While the table below is an estimate and is not binding on the BRPs, the table provides an estimate of the total anticipated aggregate cents in the Rand Distributions payable per Creditor class during the Business Rescue Proceedings.

Class of Creditor	Estimated Liquidation Dividend (cents / Rand)	Estimated Business Rescue Distributions	
		Low (cents / Rand)	High (cents / Rand)
Secured Creditors	5.1	39 ¹	59
PCF employees	n/a	n/a	n/a
PCF Creditors	n/a	n/a	n/a
Preferent employees	n/a	n/a	n/a
Concurrent Creditors	0	0	0

Notes

1. The low estimate as indicated considers, among other things, all claims to date, including all known Disputed Claims

7.11. Benefits of Adopting the Business Rescue Plan

The benefits to Affected Persons of adopting the Business Rescue Plan compared to a liquidation are as follows:

7.11.1. Creditors

- 7.11.1.1. Secured Creditors currently represent 97.64% of total Creditors, and the return to Secured Creditors is anticipated to be considerably higher, if the Proposals in this Business Rescue Plan are successfully implemented, than would be the case under the alternative scenario of the immediate liquidation of the Company.
- 7.11.1.2. Regrettably, it is not anticipated at this time that there will be any return to the Company's Creditors other than the Secured Creditors.
- 7.11.1.3. The liquidation scenario as set out in the PwC report reflects lower returns for Secured Creditors than those anticipated in these business rescue Proposals.
- 7.11.1.4. The liquidation scenario as set out in the PwC report reflects zero returns for Concurrent Creditors, consistent with those anticipated in these business rescue Proposals.

7.11.2. Shareholders

7.11.2.1. Regrettably, it is not anticipated at this time that there will be any return to the Company's shareholders as a result of the Company's Creditors not being settled in full, and the Secured Creditor holding full security over the only asset directly held by the Company that has any material realisable value.

7.11.2.2. This is consistent with the anticipations in the PwC report.

7.11.3. Other

7.11.3.1. The ongoing working capital requirements of the Company will be funded from Group Five Construction until such time as Everite is disposed of and the net proceeds paid to the Lenders.

7.11.3.2. The BRPs will seek the resolution of all disputes involving the Company. To the extent any such disputes have, or will, become the subject of litigation involving the Company, the BRPs will assess the merits and decide on the manner in which to respond to such disputes.

7.12. Effect on Creditors

7.12.1. On the final Distribution being made, all claims against the Company will be Expunged. It is specifically recorded that all liabilities, provisions and obligations, of whatsoever nature and howsoever arising, of the Company will be compromised and discharged in full, in terms of Section 154 read with Section 152(4) of the Companies Act.

7.12.2. Claims that are not reflected in Annexure B of this Business Rescue Plan are Disputed Claims and will not carry a vote in respect of the Business Rescue Plan and will be dealt with in accordance with the Dispute Resolution Mechanism contemplated in paragraph 10.

7.13. Risks of the Business Rescue Plan

Notwithstanding the Proposals and estimates in this Business Rescue Plan, the following risks should be borne in mind, as they may adversely impact the ultimate outcome of the implementation of this Business Rescue Plan:

7.13.1. Unforeseen litigation of any nature whatsoever, howsoever arising, from any cause of action whatsoever.

7.13.2. Existing litigation not progressing in the manner anticipated.

7.13.3. Any changes in legislation that impacts business rescue.

- 7.13.4. Any challenges to this Business Rescue Plan, the rejection thereof or any amendments thereto.
- 7.13.5. Any regulatory challenges of any nature whatsoever, howsoever arising as well as any consequential statutory liability.
- 7.13.6. Any unforeseen circumstances, outside of the control of the BRPs, of any nature whatsoever, howsoever arising, that impact on Business Rescue.
- 7.13.7. Any damages or penalties claimed against the Company which cannot be compromised or were unforeseen.
- 7.13.8. The legal revocation of support from any Affected Persons and/or service providers.
- 7.13.9. Unexpected liquidity events, withdrawal or restricted access to PCF provided by the PCF Lenders or delays thereto.
- 7.13.10. The final verification and agreement of the claims taking longer than expected.
- 7.13.11. Material discrepancies in the information made available to the BRPs by Management.
- 7.13.12. Incomplete, inaccurate accounting records of the Company and inadequate supporting information.
- 7.13.13. The deterioration and worsening of market conditions.
- 7.13.14. 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.
- 7.13.15. The variation in the exchange rates affecting the Business Rescue Proceedings.
- 7.13.16. Ambiguous provisions in the Companies Act which are subject to varied interpretation.
- 7.13.17. Adverse judgements or rulings which may have the effect of reducing cash flow available for the Distributions, given that the estimated Distributions 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.



7.14. Other matters

7.14.1. JSE

- 7.14.1.1. The Company's listing on the JSE was suspended on Commencement of Business Rescue Proceedings at the request of the BRPs. The BRPs requested and received dispensation from the JSE in relation to any shareholder approvals required in respect of disposals.
- 7.14.1.2. Given the nature of the Business Rescue Proceedings, the JSE provided dispensations as requested, on condition that the BRPs provide monthly updates to shareholders in relation to the Business Rescue Proceedings of the Company. This has been adhered to.
- 7.14.1.3. On Adoption of this Business Rescue Plan the BRPs will engage with the JSE to discuss the discontinuation of the listing of the Company's shares on the JSE.

8. Part C – Assumptions and conditions of Proposal

8.1. Binding nature of this Business Rescue Plan

8.1.1. Section 152(4) of the Companies Act provides that once a business rescue plan has been adopted, i.e. approved with the following support:

- i. the holders of more than 75% of the creditors' voting interests that were voted; and
- ii. the votes in support of the business rescue plan having included at least 50% of the independent creditors' voting interests, if any, that were voted;
- iii. the above will constitute an approval on a preliminary basis;
- iv. as the plan does not alter the rights of the holders of any class of the company's securities, the approval of the plan on a preliminary basis will also constitute final adoption of the plan;

the business rescue plan is binding on the company, its creditors and every holder of its securities (the latter in terms of the provisions of Sections 146(d) and 152(3)(c) of the Companies Act), whether or not such a person was:

- present at the meeting to determine the future of the company;
- voted in favour of adoption of the Business Rescue Plan; or
- in the case of creditors, has proven a claim against the Company.

8.2. Effect on directors and Management

8.2.1. The obligation of the Company to pay any amounts due to the non-executive directors has been suspended for the duration of the Business Rescue Proceedings.

8.2.2. Certain non-executive directors have resigned. Save for these resignations, the Board of the Company has remained intact since the Commencement Date, and the remaining Directors have continued to exercise the functions of director, subject to the authority of the BRPs.

8.2.3. Management continues to work with the BRPs as set out herein and are receiving their remuneration in the ordinary course.

8.3. Termination of Business Rescue Proceedings

The Business Rescue will terminate (Section 150(2)(c)(iii)):

8.3.1. if the Business Rescue Plan is proposed and rejected and no Affected Person/s act in any manner contemplated by the Companies Act; or

- 8.3.2. 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;
- 8.3.3. the BRPs file a notice of termination of the Business Rescue Proceedings with the CIPC; or
- 8.3.4. a High Court orders the conversion of the Business Recue into liquidation.

8.4. Substantial implementation

Substantial implementation (Section 150 (2) (c) (i) (bb)) will be deemed to have occurred upon the BRPs deciding, in their sole discretion, that the following has taken place:

- 8.4.1. the Everite disposal has been implemented and the proceeds applied in accordance with the terms of this plan, or alternative arrangements are made for subsequent Distribution/s;
- 8.4.2. final Distributions have been paid to Creditors and / or a mechanism has been put in place for the payment of any remaining Distributions to Creditors; and
- 8.4.3. the listing of the Company on the JSE has been terminated;
- 8.4.4. all necessary steps relating to the Company and Everite and their winding-up or disposal have been catered for; and
- 8.4.5. all Business Rescue Costs have been provided for and / or paid and settled in full.

For the sake of clarity, it is recorded that, notwithstanding the above, the assessment of the achievement of Substantial Implementation of this Business Rescue Plan will remain within the sole and reasonable discretion of the BRPs.

8.5. Voting on the Adoption of the Business Rescue Plan

8.5.1. Voting Interests

8.5.1.1. In accordance with Section 145(4) of the Companies Act, a Creditor is entitled to vote as follows:

- 8.5.1.1.1. a Creditor recognised in Annexure B has a voting interest equal to the value as reflected in Annexure B; and

- 8.5.1.1.2. a 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 in a liquidation of such company as set out in Section 145(4)(b) of the Companies Act.
- 8.5.1.2. A Contingent Creditor will not be entitled to vote on the approval of the Business Rescue Plan. Claims that do not reflect in Annexure B of this Business Rescue Plan are Disputed Claims and will not carry a vote in respect of the Business Rescue Plan and will be dealt with in accordance with the Dispute Resolution Mechanism contemplated in paragraph 10.
- 8.5.1.3. A Disputed Creditor will only be entitled to vote in respect of the Business Rescue Plan in the amount determined by the BRPs.
- 8.5.1.4. In accordance with Section 146(d) of the Companies Act, shareholders are 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 Person. This plan does not alter such rights, therefore the adoption of the plan by Creditors will constitute final adoption of the plan (S152(3)(b)).
- 8.5.2. Vote by Proxy
- Voting by proxy will be allowed. A proxy form is provided in Annexure E. Affected Persons are required to lodge their forms of proxy by no later than 17h00 on Monday the 9th of September 2019. All forms of proxy given on behalf of a Person must be accompanied by a valid and authorised resolution supporting the appointment of the proxy. Notwithstanding this, the BRPs have a discretion to accept any proxy submitted.

CHAPTER 3 – GENERAL

9. Existing litigation

- 9.1. Annexure D lists the key legal matters relevant to the Company as at the Publication Date.
- 9.2. All parties who have instituted legal proceedings, including any enforcement action, in respect of any claims against the Company, in any forum, will be subject to the provisions in this Business Rescue Plan for dealing with the proof of claims.
- 9.3. The various claims against Group Five Power are being defended and Group Five Power's claims against Cenpower and the relevant subcontractors are being pursued. It is anticipated that further funding will be obtained to support the pursuing of the various legal proceedings. The proceeds arising from a successful outcome of the various legal actions will be received by Group Five Power. These proceeds will firstly be applied to repay the funding obtained to pursue the legal actions, whereafter the balance will be shared between the funders and the existing creditors of Group Five Power. These proceeds are not expected to be enough to see funds flowing to Group Five Construction or the Company. As a result, it is not anticipated that there would be any direct benefit flowing through to the Company other than a reduction in the Concurrent Claims against the Company.

10. Dispute Resolution Mechanism

- 10.1. In order to resolve Disputed Claims, and / or any other disputes concerning this Business Rescue Plan, in an expedited manner and at minimum cost to all parties concerned, an accelerated and optimised Dispute Resolution Mechanism will be followed as set out in this Business Rescue Plan.
- 10.2. Save as provided for in Section 133 of the Companies Act (and without in any way impacting or depriving the rights of the BRPs), all Disputed Claims that are not already subject to court proceedings and / or a formal dispute resolution process (to which the BRPs have agreed to or in respect of which the courts have granted leave) as at the Publication Date must be resolved in accordance with this Dispute Resolution Mechanism.
- 10.3. In terms of this Dispute Resolution Mechanism, all Disputed Creditors must notify the BRPs in writing within 30 days after the date of Adoption of the Business Rescue Plan (or in the case of a Contingent Claim, within 30 days after the relevant contingency has been satisfied) of their intention to resolve the dispute. Similarly, all Contingent

Creditors must notify the BRPs in writing within 30 days after the contingency has been met that they are a Creditor.

- 10.4. If the Disputed Creditor or Contingent Creditor, as the case may be, does not notify the BRPs within the time period allowed, or such longer period as the BRPs may in their sole discretion determine, then such Disputed Creditor or Contingent Creditor shall be deemed to have abandoned its claim/s. Any claim so abandoned will be deemed to have been Expunged and not be enforceable in terms of Section 154 of the Companies Act) at a later date. If a Contingent Creditor's claim is disputed, then the further provisions of this clause 10.5 and onwards will apply.
- 10.5. If, after having availed itself of the opportunity to resolve the dispute in terms of paragraph 10.4, the dispute is not resolved directly with the BRPs or their representatives within a 15-day period thereafter, the Disputed Creditor will be afforded 7 days (reckoned from the date of expiry of the 15 days) to nominate a retired judge or senior counsel (on the basis set out below) as an arbitrator to preside over and to resolve the dispute. Should the Disputed Creditor not make this nomination and / or the BRPs not agree to appoint such nominee as arbitrator within the period allowed, then the BRPs will request the President of the Arbitration Foundation of South Africa ("**AFSA**") to appoint a retired judge or senior counsel as an arbitrator on behalf of the Disputed Creditor and the BRPs, and this appointment will be binding on the Disputed Creditor.
- 10.6. Thereafter, the retired judge or senior counsel who agrees to accept such appointment (hereinafter referred to as the "**Arbitrator**") will endeavour to complete his mandate within 30 days of his appointment or within such further time period as the BRPs in their sole discretion may determine. To the extent that the Arbitrator as nominated refuses to act or is not available to act, the President of AFSA will appoint another retired judge or senior counsel as Arbitrator.
- 10.7. The Arbitrator will in his sole and absolute discretion determine:
 - 10.7.1 the venue at which the dispute is to be resolved;
 - 10.7.2 the rules, regulations and procedures that will govern the determination of the dispute;
 - 10.7.3 the date/s for the determination of the dispute;
 - 10.7.4 will give his award / determination within five days of the completion of the process as determined by him; and
 - 10.7.5 will as part of his award / determination determine who is liable for the costs of the determination, such costs to include his costs, legal costs, venue costs, recording equipment (if applicable), transcript of evidence (if applicable) and the like.

- 10.8. The Disputed Creditor/s agree that the determination of the Arbitrator will be final and binding and will not be subject to any subsequent review or appeal process, unless reviewed on grounds of negligence, bias or malice.
- 10.9. All parties agree to use their utmost endeavours to ensure that a dispute is determined by the Arbitrator within the 30-day period as set out above.
- 10.10. To the extent necessary, should the BRPs be of the view that certain disputes may be settled or compromised, the BRPs shall be authorised to settle and/or compromise such a dispute.
- 10.11. If the Disputed Creditor does not follow the procedure set out in 10.5, then the Disputed Creditor shall be deemed to have abandon its claim/s. Any claim so abandoned will be deemed to have been Expunged and not be enforceable in terms of Section 154 of the Companies Act) at a later date.

11. Domicilium

- 11.1 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 below:

Physical	2 Eglin Road, Sunninghill, Gauteng, 2191
E-mail	g5ltdBR@groupfive.co.za
Attention	The Business Rescue Practitioners

- 11.2 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.
- 11.3 Any notice given or process served by any Affected Person to the BRPs, which is delivered by hand between the hours of 09:00 and 17:00 on any Business Day to the BRP's 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.
- 11.4 Any notice given or process served by any Affected Person to the BRPs, which is transmitted by e-mail to the BRP's 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.
- 11.5 This paragraph 11 shall not operate so as to invalidate the giving, serving or receipt of any written notice or process which is actually received by the BRPs other than by a method referred to above.

- 11.6 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.

12. Ability to amend the Business Rescue Plan

- 12.1. The BRPs shall have the ability, in their sole and absolute discretion, to amend, modify or vary any provision of this Business Rescue Plan, provided that (i) any amendment will not constitute a “materially prejudicial outcome” to any of the Affected Persons; and (ii) at all times the BRPs act reasonably.
- 12.2. Any amendment will be deemed to take effect on the date of written notice of the amendment to all Affected Persons. It is specifically recorded that the provisions of this section shall, *mutatis-mutandis*, apply to the extension or reduction of any timeframes by the BRPs.
- 12.3. If the Business Rescue Plan requires amendment and the amendment gives rise to a “materially prejudicial outcome” to certain Creditors but not to others, then the approval of that amendment must be procured in writing from those that have been so prejudiced. In this instance, the process to amend the Business Rescue Plan would be as follows:
- 12.3.1. If possible, obtain the consent from the prejudiced parties without the need for a formal meeting;
- 12.3.2. Once obtained, a notice of amendment will be distributed to all Affected Persons; and
- 12.3.3. The amended Business Rescue Plan will be placed on the website of the Company.
- 12.4. All amendments to the Business Rescue Plan (other than as provided for in this paragraph 12) which require further approvals will be subject to the provisions of the Companies Act and the same voting thresholds as is required for the Adoption of the Business Rescue Plan.

13. Severability

- 13.1 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.
- 13.2 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.

13.3 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.

14. Disclaimer

14.1 In the preparation of this Business Rescue Plan, the BRPs 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, customers, 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.

14.2 Whilst the BRPs have made certain efforts to ensure the accuracy of the information contained herein, it should be noted that the BRPs' investigations have been limited in nature due to:

14.2.1 the time constraints placed on business rescue practitioners by the Companies Act;

14.2.2 pressure from Affected Persons to effect a reasonably paced rescue;

14.2.3 limited financial resources available to the Company (and in turn the BRPs); and

14.2.4 the quality of certain of the records and state of affairs of the Company.

14.3 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 third parties.

14.4 Neither the BRPs nor any person engaged to assist in the Business Rescue Proceedings or in the production of this Business Rescue Plan undertake any responsibility in any way whatsoever to any Person in respect of any errors in this Business Rescue Plan arising from incorrect information that may have been provided to them.

CHAPTER 4 – CONCLUSION AND BRPS’ CERTIFICATE

15. Conclusion

For the reasons set out above, it is the view of the BRPs that, notwithstanding the inevitable risks and challenges:

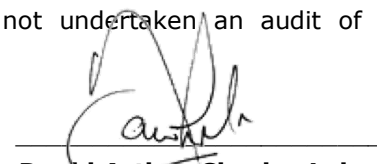
- 15.1. there is a reasonable prospect that the Company can be rescued within the meaning of the Companies Act;
- 15.2. this Business Rescue Plan balances the rights and interests of all relevant stakeholders; and
- 15.3. should the Business Rescue Plan not be Adopted, the Business Rescue Proceedings will have to be converted to liquidation proceedings immediately.

16. BRPs’ certificate

We, the undersigned, hereby confirm that the information contained herein is based on information provided to us by the Management of the Company, the management of Subsidiaries of the Company, other relevant parties, and upon which we have relied. While every reasonable effort has been made to ensure the accuracy of information contained herein, we can give no warranty in this regard save to confirm, to the best of our knowledge and belief that:

- 16.1. any information provided herein appears to be reasonably accurate, complete and up to date;
- 16.2. we have relied on financial information including opinions and reports furnished to us by the board of directors, Management and the Company's auditors;
- 16.3. any projections provided are estimates made in good faith and based on factual information and assumptions as set out herein; and
- 16.4. in preparing the Business Rescue Plan, we have not undertaken an audit of the information provided to us.


Petrus Francois van den Steen
Date: 30 August 2019


David Arthur Charles Lake
Date: 30 August 2019



ANNEXURES

ANNEXURE A: LIST OF MATERIAL ASSETS AND PROPERTY

ANNEXURE B: LIST OF CREDITORS AND VOTING INTEREST

ANNEXURE C: MANAGEMENT ACCOUNTS OF THE COMPANY AS AT 28 FEBRUARY 2019

ANNEXURE D: KEY LITIGATION AND LEGAL MATTERS

ANNEXURE E: PROXY FORM