

Attention: **All Affected Persons**  
Group Five Limited (in business rescue)

Delivered by Email

Displayed

- Registered Office and Principal Place Business of the Company and anywhere where Employees are employed
- Published on the Website Maintained by the Company and Accessible to Affected Persons

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08 June 2020

**NOTICE IN TERMS OF SECTION 144(3)(a), SECTION 145(1)(a) AND SECTION 146(a) OF THE COMPANIES ACT 71 OF 2008, AS AMENDED**

1. This is an important notice in respect of legal proceedings that may affect you directly. If necessary, please consult your attorneys or other professional advisors for advice.
2. Notice is hereby given in terms of section 144(3)(a), section 145(1)(a) and section 146(a) of the Companies Act 71 of 2008, as amended ("**Companies Act**") of the legal proceedings instituted by 48 various shareholders ("**Shareholders**") of Group Five Limited (in business rescue) ("**Company**") against, *inter alia*, the Company and the business rescue practitioners ("**BRPs**"), out of the Gauteng Local Division, Johannesburg High Court under case number 2020/12079.
3. A copy of the application is available upon request.
4. In terms of the application, the Shareholders seek, *inter alia*, the following –
  - 4.1 to set aside the resolution adopted by the shareholders at an annual general meeting held by the Company on 7 November 2017 (16 months prior to the commencement of the Company's business rescue proceedings), in terms of

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- which the Company was authorised to provide direct or indirect financial assistance to one or more related or inter-related companies of the Company ("**Special Resolution**") for the alleged lack of compliance with section 45(3)(a)(ii) of the Companies Act ;
- 4.2 to set aside the resolutions of directors of the Company adopted on 2 May 2018 in accordance with section 74 of the Companies Act ("**Board Resolution**") for the alleged lack of compliance with sections 45(3)(a)(i) and/or (b)(i) and/or (ii) of the Companies Act, and/or section 45(5) of the Companies Act;
  - 4.3 consequently, to set aside the guarantee ("**Guarantee**") provided by the Company to the Standard Bank of South Africa Limited, ABSA Bank Limited, Firststrand Bank Limited, HSBC Bank Limited and Boundary Terraces No. 14 Proprietary Limited guaranteeing the financial obligations owed by Group Five Construction Proprietary Limited to them; and
  - 4.4 to convert the business rescue proceedings of the Company to liquidation proceedings in terms of section 132(2)(a)(ii) of the Companies Act.
5. The Shareholders are represented by SWVG Inc. Attorneys ("**SWVG**"). SWVG initially addressed a letter to the BRPs during July 2019 requesting a substantial amount of information relating to, *inter alia*, the financial and governance affairs of the Company prior to the commencement of business rescue proceedings. The BRPs' attorney, namely Werksmans Attorneys ("**Werksmans**"), have been engaging with SWVG ever since and have provided SWVG with the information that the Shareholders were entitled to receive in terms of the Companies Act.
  6. Subsequently, SWVG challenged the validity of the aforesaid Guarantee on the basis aforesaid. In responding thereto, the BRPs and Werksmans sought the advice of Senior Counsel regarding the validity of the Special Resolution and the Board Resolution in terms of which the Guarantee was authorised and issued. Senior Counsel was of the opinion that the Special Resolution and the Board Resolution complied both in substance and form with the provisions of the Companies Act.

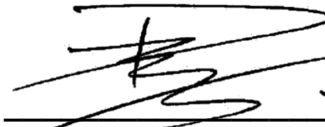
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7. Accordingly, the BRPs maintain that the Guarantee issued in terms of the Special Resolution and Board Resolution is not void and not capable of being set aside.
8. Given the orders that the Shareholders seek and the impact that this will have on the business rescue proceedings of the Company, which is currently being implemented in terms of the approved business rescue plan, Werksmans will be opposing the application on behalf of the BRPs and the Company.
9. As an affected person, you have the right to participate in these legal proceedings, including opposing the application. Should you wish to participate in these proceedings, kindly contact our offices at the details provided below.
10. If you have any requests or queries, you are welcome to direct this to the BRPs at: [G5ltdbr@groupfive.co.za](mailto:G5ltdbr@groupfive.co.za).
11. All relevant notices circulated to the affected persons of the Company, to date, have been published on the company's website at [www.g5.co.za](http://www.g5.co.za), under the Business Rescue tab.

Yours faithfully,



**Dave Lake**



**Peter van den Steen**

**Joint Business Rescue Practitioners of Group Five Limited (in business rescue)**

**Group Five Limited (in business rescue)**

Reg No 1969/000032/06  
Business Rescue Practitioners: DAC Lake and PF van den Steen  
Directors: \*RJ Huntley AJ Clacher (CFO)  
\*Non-Executive  
Company Secretary: CL Middlemiss  
2 Eglin Road, Sunninghill, 2191  
Postnet Suite 500 Private Bag X26 Sunninghill 2157 South Africa  
Tel +27 10 060 1555 Email [info@groupfive.co.za](mailto:info@groupfive.co.za) Web [www.groupfive.co.za](http://www.groupfive.co.za)