

24 October 2022

CIRCULAR 16

THIS IS A CIRCULAR TO ALL THE AFFECTED PERSONS OF **VARYMIX NINETEEN (PTY) LTD** RELATING TO THE OUTCOME OF THE VOTE MEETING OF CREDITORS, HELD IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

OUTCOME OF THE VOTE MEETING

The business rescue practitioner wishes to advise all the affected parties the outcome of the vote meeting held on **21st of October 2022**.

Mr Pattinson welcomed the attendees and notified the attendees that the meeting would be recorded and a circular pertaining to the outcome of the meeting will be circulated to the affected persons.

Publication of the Proposed Business Rescue Plan:

It was confirmed that the proposed business rescue plan and the related annexures had been published to the affected parties on the 7th of October 2022 and that sufficient time had been granted to the affected persons to deliver any comment/suggested amendments thereon.

The meeting to vote on the proposed business rescue plan is governed by Section 152(1) of the Companies Act, whereby the practitioner must:

1. Introduce the proposed business rescue plan.
 - a. **Which the practitioner did.**
2. Confirm that the practitioner still believes there to be a reasonable prospect of a successful rescue.
 - a. **Which the practitioner does. Subject to the amendments to be discussed in this meeting.**
3. Invite comment from employees or their representatives.
 - a. **Which the practitioner did (no comments made).**
4. Invite Discussion.
5. Call for a vote on the proposed plan.

The practitioner confirms that he received a substantial number of requests for amendments to the business rescue plan. Some of which are immaterial and relate more to clarification of specific points. However, there are some amendments (as listed below) that were requested that will require a republication of the business rescue plan. These amendments include but are not limited to the following:

- a) Prepare and Publish Projected Financials
 - a. Detailed month to month since the start of Business Rescue
- b) Prepare and publish L&D Account
- c) Provide summary of matters in litigation with potential income and timelines
- d) Provide detailed summaries of all outstanding projects
- e) Funds required, estimated profit, retentions to be held and timelines
- f) Elaborate and confirm ability to pursue sureties
- g) Elaborate on all securities and rights of secured lenders
- h) Provide details about secured creditors including but not limited to:
 - a. Holders of Cessions of Book debt.

As a result of the nature of the amendments requested, it has become necessary, in the opinion of the practitioner, to publish an amended business rescue plan to the affected persons for consideration and re-vote.

The practitioner, therefore, in terms of the provisions of Section 153(3) of the Companies Act, called for a vote on the adjournment of this meeting so that he may prepare and republish an amended Business Rescue Plan for the creditors to consider.

The matter was put to a vote and the creditors in attendance at the meeting exercised their voting rights and unanimously accepted the proposal to republish the business rescue plan to the affected persons with the relevant amendments made.

The amended proposed business rescue plan will be published within 10 business days of the adjournment of this meeting. With a meeting called to vote on said amended plan within 10 business days thereafter.

All forms and circulars relating to the Business Rescue process for Varymix Nineteen (Pty) Ltd can be accessed at <https://pattinson.biz/document-library>

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