

1 December 2023

CIRCULAR 10

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **MACHINECORP DIESEL (PTY) LTD T/A JEG DIESEL** IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

OUTCOME OF THE MEETING TO VOTE ON THE PROPOSED BUSINESS RESCUE PLAN

The business rescue practitioners¹ wish to advise all the affected persons of the outcome of the meeting to vote on the proposed business rescue plan, held on the 30th of November 2023. The purpose of this meeting was solely to discuss the published business rescue plan and to vote on the adoption of same.

The practitioners took time at the commencement of the meeting to explain the procedures that would be followed during this meeting and the manner in which the relevant votes would be conducted.

Presenting of the Business Rescue Plan:

The practitioners presented the proposed business rescue plan to the affected persons who were present at the meeting to vote. There were minor amendments that were discussed and addressed (listed below) which were included in the plan presented to the affected persons at the meeting to vote.

Confirmation of a Reasonable Prospect:

The practitioners continue to confirm their belief of a reasonable prospect of a successful rescue – in that the plan proposed provides for the rehabilitation of the entity and; therefore, a substantially better return to the affected persons than that which would be received if the business were immediately liquidated.

¹ Jaco Durandt, Junior Business Rescue Practitioner & David Masterton, Experienced Business Rescue Practitioner.

The first vote was taken, and creditors voted with 100% in favour to proceed to the second vote and to thus accept the plan with the amendments as presented to them prior to the vote.

Please note the proposed and accepted amendments below:


Jaco Durandt & David Masterton

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DISCUSSIONS

Discussion of any proposed amendments (Mr. Durandt)

- ABSA Bank only creditor to suggest amendments – Suggestions as follows:
 - Amend clause 3.2.2.4 of the plan to expressly exclude ABSA from this clause as ABSA bank is a registered credit provider and as such is entitled to claim interest. (Practitioners are not objected)
 - “Clause 4.5 to expressly include that it is subject to clause 4.8.4.2 of the plan.” – From ABSA
 - “4.5. The offer in terms of this plan and the payment that is to be made to all creditors shall be in full and final settlement of such debt and all creditors shall by adoption of the Proposed Business Rescue Plan accede to the discharge of the whole of the debt in terms of the Act, 14 The plan does however not envisage a compromise of any sorts.”
 - “4.8.4.2. This plan will not have any effect on these agreements or the securities that are in place for these loans/debts.”
 - Also requested that clause 5.2.6 be amended allowing ABSA – or any other creditor to pursue their debt in the ordinary course of business, subject to their existing agreements **in the event of default on the plan and failure to remedy within 10 days**




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DISCUSSIONS

- Discussion of any proposed amendments (Mr. Durandt)
- ABSA Bank only creditor to suggest amendments – Suggestions as follows:
 - Fees multiple queries/suggestions:
 - 10% success fee on immovables – not relevant to rescue, happy to delete
 - Success fees on adoption and substantial implementation (happy to half)
 - Final request from ABSA was to receive monthly management accounts – practitioners not opposed



The second vote cast was to determine whether the attendees wished to accept or reject the amended (as per above) business rescue plan.

A 100% vote from affected persons at the meeting and those who had given proxy was achieved in favour of the adoption of the business rescue plan.

The result of the above votes thus entail that the business rescue plan is in force as at the time of voting.

The practitioners will file for substantial implementation of the business rescue plan once the milestones have been achieved as per the now adopted business rescue plan.

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