



BAMBANANI
PIPES AND FITTINGS

a member of **MACDONALD**
HOLDINGS

29 November 2017

TO ALL KNOWN AFFECTED PARTIES

Dear Sir/Madam,

NOTICE OF MEETING TO CONSIDER AND VOTE ON THE BUSINESS RESCUE PLAN PROPOSED BY EUGENE NEL N.O. – BUSINESS RESCUE PRACTITIONER OF BAMBANANI PIPES AND FITTINGS (PTY) LTD

1. The Business Rescue Practitioner of Bambanani Pipes & Fittings (Pty) Ltd (“hereinafter referred to as “**Bambanani**”), Mr Eugene Nel N.O (“**BRP**”), addresses this notice to you on behalf of Bambanani and in compliance with the provisions of the Companies Act 71 of 2008 (“**the Act**”).
2. The first meeting of creditors was held on Friday the 3 November 2017. The proposed Business Rescue Plan (“**Plan**”) was published on Wednesday, the 29th November 2017, which Plan was available for download on the website of Bambanani.
3. We hereby provide you notice of the meeting to consider and vote on the Plan in terms of Section 151(2) of the Act:
 - a. Date : 7th December 2017
 - b. Time: 10h00
 - c. Place: **Corner Nick Toomey & Penny Road; 8 Penny Road, Roodeport, Gauteng**
4. The Agenda for the meeting is as follows:
 - a. Welcome, apologies and attendance register;
 - b. Introduction and discussion of the Plan;

c. Salient features of the Plan:

- i. Conclusion of the Kgalagadi Rescue Contract to limit the damages claim which Kgalagadi may have against Bambanani to a maximum of R5.2million, as opposed to a claim exceeding R20million;
 - ii. The BRP secured post-commencement finance to sustain the Company's operating costs during the rescue period;
 - iii. Disposal of Bambanani's business, or its assets, in an orderly fashion;
 - iv. Conclusion of the Section 23 Collective Agreement between Bambanani and its employees, to provide for the retrenchment of the employees and a retrenchment pay-out which pay-out is subject to approval of the Plan;
- d. Remuneration of BRP;
 - e. Reasonable prospect of Bambanani's rescue;
 - f. Employees' representatives to address meeting;
 - g. Opportunity to entertain and conduct a vote on any motions to amend the Plan or adjourn the meeting for revision of the Plan;
 - h. If no adjournment, vote on the Plan (as amended, if applicable), for preliminary approval by the creditors and shareholders and to vote on remuneration of BRP;
 - i. If applicable, should the Plan be rejected, vote to approve the preparation and publication of a further revised Plan and adjournment of the meeting;
 - j. General; and
 - k. Closing.
5. It is expected of you to obtain your own legal advice on these business rescue proceedings.
6. To the extent that any remuneration, reimbursement for expenses or amount of money relating to employment became due and payable by Bambanani to an employee at any time before the beginning of the business rescue proceedings, and had not been paid to that employee immediately before the beginning of these proceedings, the employee is a preferred unsecured creditor of Bambanani for the purposes of Chapter 6 of the Act. Therefore, the employees have the right to vote with creditors on a motion to approve the Plan to the extent that they are creditors. The employees' representatives have a further right to address the meeting.
7. The creditors have the right to vote to amend, approve or reject the proposed Plan. If the Plan is rejected, the creditors have the right to propose the development of an alternative Plan or present an offer to acquire the interests of any or all of the other creditors.

8. The proposed Plan will be approved on a preliminary basis if it is supported by the holders of more than 75% of the creditors' voting interests that were voted, and these supporting voting interest must include at least 50% of the independent creditors' voting interest that were voted.
9. The proposed Plan will become finally adopted and binding should the plan be supported by the creditors.
10. The BRP's remuneration agreement is final and binding if it is approved by:
 - a. the holders of a majority of the creditors' voting interests, as determined in accordance with s145(4) to (6), present and voting at a meeting called for the purpose of considering the remuneration agreement;
 - b. the holders of a majority of the voting rights attached to any shares of Bambanani that entitle the shareholder to a portion of the residual value of Bambanani on winding-up, present and voting at a meeting called for the purpose of considering the proposed remuneration agreement.
11. Kindly reply to this email to confirm whether or not you will be attending.
12. **Kindly note further that it is imperative that you attend the meeting to vote whether or not you support or reject the plan. Only votes exercised at the meeting have any force and effect. You are welcome to send a proxy to vote on your behalf as long as they have the necessary authority. In this regard please see the attached* form of Proxy.**

Yours faithfully



EUGENE NEL
BUSINESS RESCUE PRACTITIONER

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