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**Minutes of Meeting – Bambanani Pipes & Fittings (Pty) Ltd (“Bambanani”)  
First Meeting of Employees ito S 148 of Companies Act 2008**

**Held on the 3<sup>rd</sup> November 2017 at 10h00 (noon)**

**At the premises of Bambanani : 8 Penny Road, Roodepoort**

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Present:

Eugene Nel - BRP

Employees Representatives:

Solidarity – Fanie van Aarde;

NUMSA Tshepo Modise; Emmaneul Tumeo; Howard Maphasa;

HS Phakisa; Robbie Nordgaard (non-unionised);

Ernie v Quickelberg;

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Welcome & Address – Eugene Nel (BRP)

First meeting: Introduction – His appointment was effective from 25 October 2017

- The investigations into the affairs of the company have commenced.
- As the BRP, he intends to do everything possible to salvage the business.
- The business rescue process was then described in detail.
- The purpose of the s148 Meeting was discussed.
- Employee committee already established – communication to be fed back to members
- The BR Plan is to be published in 25 days after the appointment of the BRP, and is therefore due on 29 December 2017. Erratum – the Plan must be published before 29 November 2017 – 25 days from appointment
- The BRP intends publishing prior to the due date, as the plan must be implemented by mid-December 2017, before the shut-down -and will be sent to the Committee for consideration as provided for in legislation.
- BRP has already conducted verifications, and is awaiting valuations of assets and creditors’ claims, etc.
- Liquidation is the last resort due to the amount of time it takes to finalise and will only be considered if there is no viable BR Plan.

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- Employees rights are stronger in BR than Liquidation. (refer statutory limitations of preference and suspension of contracts)
- The BRP discussed the pre-BR retrenchment process and confirmed that he is awaiting feedback from labour attorneys. It is his prima facie view that it is beneficial to proceed with existing retrenchment process and he will be advised on Monday, 6 November 2017 whether the existing retrenchment process will continue.
- Currently – there is no cash available to pay staff and the BRP is attempting to arrange post-commencement finance (“PCF”) to pay arrear wages and salaries
- Shareholders have already invested approximately R106m, and the BRP is trying to persuade them to pay arrear wages as PCF.
- The BRP confirmed that there is some interest in acquiring the business and he referred to the order book, assessed loss and goodwill of the business. As a first prize (if possible), the business would be sold as a going concern to new shareholders.
- As the business operates in a specialized industry –the staff are not easy to replace.
- The intended rescue process will most probably be a rescue in line with the secondary object of BR – ie to develop a plan that will result in a better return for creditors and shareholders than would be the case in liquidation.
- The BR process intended will involve a transparent, structured, fast tracked procedure to dispose of business for this purpose (secondary object supra).
- The upcoming festive season may impact negatively on the timing.
- Plan will have to predate the disposal process, so realistically, the process can only take place in the new year – most likely around February 2018. If however a very good offer is received in the interim the Plan will provide for acceptance.

In summary, the process will extract more value than would be the case in a liquidation – it should theoretically be quicker and more cost effective.

#### Statutory Feedback:

1. Inform Employees whether BRP believes business can be rescued; (the secondary purpose – better result achieved for creditors than would be the case in liquidation);
2. Formation of a Committee of Employees; Committee comprises, all attendees including Peter Thobejane, Lee Coetzee, M Tshambuluka (save for Ernie)

#### General:

##### Questions:

1. Robbie : Payment of salaries: BRP – shareholders have been approached - if shareholders decline – only when assets are sold – will revert by cob Monday
2. Explains BR rights v Liquid

#### Meeting Closed: