



Heritage Outdoor Centre (Pty) Limited
Registration Number: 2015/269842/07

MINUTES OF THE FIRST MEETING OF CREDITORS IN TERMS OF SECTIONS 147 AND 148 OF THE COMPANY ACT 71 OF 2008 (“THE ACT”) HELD BY WAY OF MICROSOFT TEAMS MEETING ON THURSDAY 22 AUGUST AT 11h00 AM

1. Present:

- 1.1. J F (Hans) Klopper - Business Rescue Practitioner Chairman) (“BRP”/HK”)
- 1.2. Claudette Manual representing Stratcap.

2. Apologies for non- attendance:

- 2.1. None

3. Welcome

- 3.1. HK welcomed all present

4. Background

- 4.1. HK informed the meeting that Business Rescue (“BR”) proceedings commenced on 14 August 2024 when the Company’s Board of Directors filed the resolution commencing with business rescue proceedings.
- 4.2. The BRP caused the company to give notice of the commencement of BR proceedings on 21 August 2024.
- 4.3. HK further informed the meeting that the company appointed the BRP on 15 August 2024 by completing and filing the necessary notice to with CIPC as is required in terms of Section 129 (3) (b) of the Act.
- 4.4. The BRP gave notice in terms of the provisions of the Section 129(3)(a) of the Act to all affected persons on 21 August 2024 convened the first meeting of creditors in compliance with Section 147 of the Act to be held on 22 August 2024. This meeting also served as a meeting in terms of Section 148 of the Act as a first meeting of employees although it would appear that the company has no employees.
- 4.5. HK reported that the same notice also served as compliance with Section 129(4)(b) of the Act which requires that the company must give notice of the appointment of the BRP.

5. THE BUSINESS RESCUE PROCESS

- 5.1. HK informed the meeting that the BR process was introduced by way of legislation that came into law during 2011.
- 5.2. HK mentioned that this emanated from other jurisdictions in the world such as the USA/ CANADA/Australia/UK.
- 5.3. He stated that the term “rescue” means a re-organisation of a company’s affairs in order to restore it to a profitable entity and thereby avoid liquidation.
- 5.4. HK reported that the first object of Business Rescue is to keep the distressed entity going by resuscitating it instead of shutting it down or putting it under liquidation with the consequent loss of jobs and with creditors and suppliers being left unpaid.
- 5.5. HK reported that the Act sets out that objectives of the Business Rescue Process in the following terms: **[Section 128(1)(b)]**
“the development and implementation, if approved, of a Plan to Rescue the company by restructuring its affairs, business, property, debt and other liabilities, and equity in a manner that maximizes the likelihood of the company continuing in existence on a solvent basis or, if it is not possible for the company to so continue in existence, results in a better return for the company’s creditors or shareholders than would result from the immediate liquidation of the company “
- 5.6. HK reported that it is submitted by the BRP’s that the circumstances necessary for the implementation of a proper restructuring in a BR process are in place and that there is, as a consequence, the reasonable prospects of rescuing the company’s business as defined in the Act.
- 5.7. HK further stated that, in terms of Section 140 of the Act, the BRP has inter alia the following duties and powers:
 - 5.7.1. have full management control of the company in substitution for its board and pre-existing management;
 - 5.7.2. may delegate any power or function to a person who was part of the board or pre-existing management of the company;
- 5.8. HK also stated that The BRP may also:

- 5.8.1. remove from office any person who forms part of the pre-existing management of the company; or
- 5.8.2. appoint a person as part of the management of a company, whether to fill a vacancy or not, subject to Section 140 (2)
- 5.9. HK informed the meeting that the BRP are responsible to:
 - 5.9.1. develop a business rescue plan to be considered by affected persons, in accordance with Section 150 of the Act; and
 - 5.9.2. implement a business rescue plan that has been adopted in accordance with the Act.
 - 5.9.3. For this purpose, the Practitioner must engage with the creditors of the company, shareholders, the management of the company and other affected persons.
- 5.10. HK then stated that in terms of Section 141 of the Act the BRP must investigate the company's affairs, business, property, and financial situation to assess whether there is any reasonable prospect of the company being rescued as contemplated in the Act.
- 5.11. HK reiterated that the BRP are given wide powers to manage the company's business and to deal with its assets in order to Rescue the company and that his prime function is to develop and implement a Business Rescue Plan.
- 5.12. Following upon that HK reported that the BRP have the right to suspend, either partially or wholly, any provision of an agreement to which the company is a party at the commencement of BR Proceedings. HK stated that the wide scope of this provision entitles the BRP to cancel only those terms of contracts that are unfavourable to the company by way of an Order of Court or, of course, by mutual consent.
- 5.13. Returning to the issue of the Business Rescue Plan HK stated that the BRP must publish his business rescue plan within 25 days of his appointment, or such longer period as may be allowed by the holders of the majority of the creditors' voting interests.
- 5.14. HK reported that the business rescue plan must comply with the provisions of Section 150 of the Act and must contain information such as:
 - 5.14.1. a list of the company's assets;
 - 5.14.2. a list of the creditors of the company;
 - 5.14.3. the probable dividend that would be received by creditors in a liquidation;

- 5.14.4. a list of the company's shareholders;
- 5.14.5. a copy of the written agreement, concerning the practitioner's remuneration;
- 5.14.6. a statement whether the business rescue plan includes proposals informally made by creditors;
- 5.14.7. The business rescue plan must furthermore contain details of the proposals, assumptions made, and conditions contained in the plan.
- 5.15. HK mentioned that what may be contained in business rescue plan, save for the compliance with certain basic information, may contain a wide variety of "techniques" available to restructuring professionals worldwide, such as, inter alia:
 - 5.15.1. the sale of the business;
 - 5.15.2. the conversion of debt to equity;
 - 5.15.3. repayment of debt over a fixed term;
 - 5.15.4. a compromise between the company and its creditors;
 - 5.15.5. an informal winding down of the company's affairs which entails the sale of assets and the pro rata distribution of the proceeds to creditors.
- 5.16. HK stated that the effect of the adoption of a Business Rescue Plan is that once it has been adopted, the Business Rescue Plan becomes binding on the company, its creditors, and the members. Even dissenting creditors will become bound by the Plan. When the Plan is substantially implemented, the Practitioner must file a notice of the substantial implementation thereof which then brings the proceedings to an end.
- 5.17. HK reported one of the most important consequences of the commencement of BR Proceedings is that there is an automatic moratorium on legal proceedings against the company. The rights of creditors may likewise not be exercised against the company. No legal proceedings, subject to a few limited exceptions, may be instituted or continued unless the Practitioner has consented in writing or the Court has given leave to do so.

6. PRESENT FINANCIAL POSITION AND PROSPECTS OF RESCUING THE COMPANY.

- 6.1. HK reported informed the meeting that the reasons for the adoption of the business rescue resolution are contained in the sworn statement that accompanied the Notice.

7. PROOF OF CLAIMS

- 7.1. HK stated that the Act states that the BRP may receive proof of claims by creditors.
- 7.2. HK however stated the BRP will require that the claims by creditors be submitted in the format that is ordinarily required for the proof of a claim under liquidation circumstances in terms of the Laws of Insolvency in order to ensure that a complete “audit” of all claims against the company could simultaneously be achieved.

8. DETERMINATION AS TO WHETHER A CREDITORS COMMITTEE SHOULD BE APPOINTED

- 8.1. HK indicated that it would not be necessary in his view to formally form a creditors committee and which all creditors present agreed with.

9. GENERAL

- 9.1. A discussion ensued about the date by which the business rescue plan is to be published by the BRP by **2 December 2024** was proposed and accepted as the date by which the business rescue plan must be published and if necessary, a further extension will be sought.

A handwritten signature in black ink, appearing to be 'J.F. Klopper', written in a cursive style.

J F KLOPPER

BUSINESS RESCUE PRACTITIONER