
**Meeting to consider the Business Rescue Plan
held in terms of Section 151 of the Companies Act 71 of 2008**

**Evraz Highveld Steel and Vanadium Limited
(under business rescue)
*(Registration Number 1960/001900/06)***

Business Rescue Plan – Amendments and Results of Meeting

Prepared by:

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MATUSON ASSOCIATES

1. Introduction

The adjourned meeting to consider the business rescue plan (“the Plan”) in terms of section 151 of the Companies Act, 71 of 2008 (“the Act”) was held on 13 October 2015.

This memo has been prepared to document the amendments proposed at the meeting as well as the results of the voting.

2. Amendments adopted

(No objections noted)

Amendment 1

The insertion of a new paragraph 24.3.5:

“The Successful Bidder is committed to the future of South Africa from both an economic and social viewpoint, and has committed to uplift the local industry through the introduction of new technology and by the expenditure of capital to upgrade the existing Highveld Group.

In line with this commitment the Successful Bidder undertakes to procure, and will continue to procure the necessary goods and services from the local South African suppliers, in particular the current local suppliers of goods and services to the Highveld Group, on the understanding that the referenced suppliers will supply goods and services that are of a quality which reasonably accords with the Successful Bidder’s requisite standards, whilst still being competitively priced. The BEE rating of suppliers will also be of relevance as far as the award of contracts or the placement of orders is concerned.

The current local suppliers will accordingly be given a fair “right of last refusal” on the procurement of the necessary goods and services for the Highveld Group, subject to the caveats mentioned above (i.e. price, quality and BEE rating) for a period of not less than 12 months from the effective date.

The Successful Bidder also undertakes to honour work-in-progress orders placed on current local suppliers where possible acting reasonably.”

Amendment 2

The insertion of a new paragraph 24.3.4:

“The Business Rescue Plan shall not prejudice or affect or compromise any Affected Person’s rights or claims against any third party including any claim or right of whatsoever nature in terms of any guarantee or suretyship executed in favour of any Affected Person by any third party”.



Amendment 3

The insertion of a new paragraph 24.3.3:

“Any compromise contemplated in this business rescue plan is conditional upon the Company fully meeting its obligations to Creditors as set out in this business rescue plan. In the event of any breach by the Company of its payment obligations to Creditors in terms of the Distribution and remains in default for a period of 30 days , the full balance due to Creditors in terms of their original claims against the Company shall immediately become due, owing and payable by the Company to the Creditors

In the event that the Company is placed in liquidation then the full balance due to Creditors in terms their original claims shall immediately become due and payable by the Company to the Creditors.

The BRPs undertake that the Company shall ensure that all future tax obligations (including the filing of returns and payment of outstanding taxes) will be met until proceedings have been terminated on any ground listed in terms of section 132 of the Companies Act of 2008. Any deviation from this undertaking shall constitute a material breach of the provisions of this business rescue plan and unless remedied within 30 days after having received a notice from SARS to remedy the deviation and furthermore subject to any objection, appeal or any other available dispute resolution procedures or remedies available and which the Company or the BRPs are entitled to raise in terms of the relevant tax legislation, and/or the Tax Administration Act and/or in terms of the Promotion of Administrative Justice Act , then the full original claim outstanding to Creditors or remainder of such claim shall be payable.”

Amendment 4

The insertion of a new paragraph 24.3.2.3:

“VAT liability arising as a result of any compromise of debts in terms of the Business Rescue Plan is not subject to compromise and is payable in full. The practitioner confirms that provision for any VAT liability which may be triggered in terms of section 22 of the VAT Act 89 of 1991 has been made in the plan.”

Amendment 5

The insertion of a new paragraph 24.3.3.1

“Any assessed loss will be subject to and dealt with in accordance with the provisions of the tax laws of South Africa and will be forfeited to the extent provided for therein, subject to any objection, appeal or any other available dispute resolution procedures or remedies available to the Company or the BRPs.”

3. Results of voting



Attendance at the meeting was as follows:

Total Value of Creditors' Claims	2 614 808 196
Total Value of Creditors Present or by Proxy	2 371 453 398
Attendance	90%

Proxies and ballots had been prepared to conduct the vote. The results of the votes were as follows:

	Number of Votes	Total Value of Votes Cast	% of Votes in Favour	% of Votes in Against	Result
All Creditors	357	2 371 453 398	79%	21%	Adopted
Independent Creditors	356	1 992 614 917	94 %	6%	Adopted

The Plan was thus adopted.

4. Conclusion

The Joint Business Rescue Practitioners will now implement the Plan as adopted.

A business rescue plan that has been adopted is binding on the company, and on each of the creditors of the company and every holder of the company's securities, whether or not such person –

- (a) was present at the meeting
- (b) voted in favour of the adoption of the plan; or
- (c) in the case of creditors, had proven their claims against the company.