



BUSINESS RESCUE PLAN

prepared in terms of section 150 of the Companies Act 71 of 2008

in relation to

CONSOLIDATED POWER PROJECTS PROPRIETARY LIMITED (IN BUSINESS RESCUE)

prepared by the Joint Business Rescue Practitioners:

Petrus Francois van den Steen and Martin Du Toit Liebenberg

Publication Date: 1 March 2021

Amended by the BRPs: 11 March 2021

Approved and Adopted: 12 March 2021

AMENDMENTS TO THE BUSINESS RESCUE PLAN

1. 11 March 2021:

Table 2: Summary of the Various Classes of Creditors of the Company, included in section **2.10.3** has been amended to reflect the below updated information:

CREDITOR TYPE	CREDITOR CATEGORY	ACCEPTED/PROVEN CLAIM
Secured Creditors	Overdrafts	R 625 075 939.23
	Trade Finance	R 409 090 514.46
	Vehicle and Asset Finance	R 85 607.00
	Credit Cards	R 407 750.59
	Guarantees crystalised	R 183 451 816.15
	Financial & Performance Guarantees	R 1 100 954 408.42
PCF Employees	N/A	R0.00
PCF Lenders	Post-Commencement Finance Received	R 156 778 724.82
PCF Creditors	N/A	R0.00
Preferent Creditors	N/A	R0.00
Preferent Employees	N/A	R0.00
Independent Unsecured Creditors	Unsecured Creditors	R 431 330 521.35
Non-Independent Unsecured Creditors	Inter-Company Loans	R 2 073 738 936.05
TOTAL		R 4 980 914 218.07

2. 11 March 2021:

Table 4: Distribution to Creditors in Business Rescue, included in point **2.17.3.3** of section **2.17.3**, has been amended to reflect the below updated information:

CREDITOR PAYMENTS	APPROXIMATE CREDITOR CLAIMS	ESTIMATED BUSINESS RESCUE DISTRIBUTIONS			
		LOW		HIGH	
	Rm	Rm	%	Rm	%
Secured Creditors	2 319	514	22.6	720	31.7
PCF Employees	N/A	N/A	0	N/A	0
PCF Lenders	237 (*)	142	60	213	90
Preferent Employees (**)	N/A	N/A	0	N/A	0
Unsecured Creditors	2 505	0.0	0	0.0	0
TOTAL	5 061				

3. 11 March 2021:

Paragraph 2.17.3.5.2 included in point 2.17.3.5 of section 2.17.3, has been amended as follows:

After the first six words at the beginning of the paragraph, the additional provision: "**save as is otherwise provided for in the relevant agreement**", has been included.

At the end of the paragraph, the additional provision: "**and will be compromised in accordance with the provisions of the Plan;**" has been included.

Therefore, paragraph 2.17.3.5.2 has been amended to:

*2.17.3.5.2 shall be limited to general damages, **save as is otherwise provided for in the relevant agreement**, as determined through the Dispute Mechanism or by the High Court or similar proceedings as the BRPs may in their sole discretion consent to. For purposes hereof, general damages are those which, on an objective basis, would be reasonably foreseeable at the time of entering into the relevant contract as a probable consequence of, and with a sufficiently close connection to, any breach by the Company of an agreement so as to be said to flow naturally and generally and not to be too remote, **and will be compromised in accordance with the provisions of the Plan;***

4. 11 March 2021:

Paragraph 2.17.3.5.3 included in point 2.17.3.5 of section 2.17.3, has been amended as follows:

At the end of the paragraph, the additional provision: "**save as is otherwise provided for in the relevant agreement, and will be compromised in accordance with the provisions of the Plan**".

Therefore, paragraph 2.17.3.5.3 has been amended to:

*2.17.3.5.3 shall exclude all indirect, punitive, special, incidental, or consequential loss, including injury to business reputation, loss of profits and/or loss of business opportunities, **save as is otherwise provided for in the relevant agreement, and will be compromised in accordance with the provisions of the Plan.***

5. 11 March 2021:

Annexure F – List of Creditors of the Company

Following the Publication Date, certain Affected Persons submitted further evidence regarding their submitted or excluded Claims. The evidence was reviewed and reconciled with the Company's records and subsequently, the BRPs determined the need for certain amendments to be made to Annexure F – List of Creditors of the Company.

In addition to these amendments, Annexure F – List of Creditors of the Company, has been further amended to include a separate 'List of Disputed Creditors of the Company'. The BRPs accepted these Claims at their face value, for the sole purpose of voting on the Plan. These Claims remain in dispute and constitute Disputed Creditors.

The amendments made to Annexure F – List of Creditors of the Company, are reflected in the annexure of the Plan, attached separately, marked '**Annexure F – Amended List of Creditors of the Company**'.

CORPORATE INFORMATION AND ADVISOR DETAILS

Company

Consolidated Power Projects Proprietary Limited

Business Rescue Practitioners

Petrus Francois van den Steen

Martin Du Toit Liebenberg

Preparation of the Independent Liquidation Estimated Outcome Statement

Deloitte South Africa

Legal Advisors to the Business Rescue Practitioners

Werksmans Inc

Legal Advisors to the Company

Werksmans Inc

Webber Wentzel

Clyde and Co.

ENS Africa

MDA Law

Van Wyk Attorneys

Weavind & Weavind

Restructuring Advisor to the Company

Metis Strategic Advisors

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1. CHAPTER 1 – INTRODUCTION

1.1. Disclaimer:

- 1.1.1. The BRPs in the preparation of this Business Rescue Plan have relied on information obtained from the books and records of the Company, meetings held with relevant persons including the Company's directors, Management, staff, auditors, suppliers, clients, advisors and other service providers of the Company, and studies and reports commissioned from various technical and other professional advisors in connection with the affairs of the Company.
- 1.1.2. Affected Persons are advised to consult with an independent attorney, accountant, or other professional advisor in respect of this Business Rescue Plan should they so wish or require.
- 1.1.3. Nothing contained in the Business Rescue Plan shall constitute any form of advice to any Affected Person, and the BRPs do not make any representations in respect thereof.
- 1.1.4. Neither the BRPs nor their Advisors shall be responsible for any acts taken by (or omissions arising from) any Affected Persons' reliance on this Business Rescue Plan.
- 1.1.5. Whilst the BRPs have made certain efforts to ensure the accuracy of the information contained herein, it should be noted that the BRP's investigations have been limited in nature due to:
- 1.1.5.1. the time constraints placed on business rescue practitioners by the Companies Act;
 - 1.1.5.2. pressure from Affected Persons to effect a reasonably paced rescue;
 - 1.1.5.3. limited financial resources available to the Company (and in turn the BRPs); and
 - 1.1.5.4. the quality of certain of the records and state of affairs of the Companies.
- 1.1.6. The BRPs have not carried out an audit of the Company's documents, nor have they had adequate opportunity to independently verify all information provided to them by the Company and/or relevant third parties.

1.2. Structure of the Business Rescue Plan:

For the purposes of section 150(2) of the Companies Act, this Business Rescue Plan is divided into several parts.

1.2.1. Chapter 1 – Introduction

This part sets out general information about the Business Rescue Plan, the meaning of defined terms, and contains an executive summary of the Proposals in terms of the Business Rescue Plan.

1.2.2. Chapter 2 – Proposals

This part contains the Proposals in terms of the Business Rescue Plan and is comprised of several sub-parts in accordance with the Companies Act.

1.2.2.1. Part A – Background (section 150(2)(a))

This part sets out the background to the Company and the circumstances that resulted in the Company's Financial Distress and the events leading to the commencement of the Company's Business Rescue.

1.2.2.2. Part B – Proposals (section 150(2)(b))

This part describes the Proposals to Affected Persons and the benefits and risks of Adopting the Business Rescue Plan.

1.2.2.3. Part C – Assumptions and Conditions (section 150(2)(c))

This part sets out the conditions that must be fulfilled and the assumptions applied in respect of the Business Rescue Plan.

1.2.3. Chapter 3 – General

This part sets out administrative and general matters pertaining to the Business Rescue and the Business Rescue Plan and deals, among other things with any amendments to the Business Rescue Plan and the mandatory Dispute Mechanism to resolve Disputed Claims.

1.2.4. Chapter 4 – Conclusion and BRPs Certificates

This part contains the BRPs' recommendation and the certificate that is required to accompany each Business Rescue Plan in terms of the Companies Act.

1.3. Interpretation:

- 1.3.1. The headings of the paragraphs in this Business Rescue Plan are for the purpose of convenience and reference only and shall not be used in the interpretation of, nor modify or amplify the terms of this Business Rescue Plan or any paragraph hereof, unless a contrary intention clearly appears.

1.3.2. Words importing:

- 1.3.2.1. any one gender includes the other gender;
- 1.3.2.2. the singular includes the plural and vice versa;
- 1.3.2.3. a natural person includes an artificial or juristic person and vice versa ("**Person**");
- 1.3.2.4. the following terms and/or expressions shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings;
 - 1.3.2.4.1. "**Adopted/Adoption/Adopting**" means that a Business Rescue Plan has been finally approved in accordance with section 152(2), read with section 152(3) of the Companies Act;
 - 1.3.2.4.2. "**Advisors**" means the advisors to the BRPs, including but not limited to Metis, Werksmans and Deloitte, and the advisors' respective officers, representatives, and employees;
 - 1.3.2.4.3. "**Affected Person/s**" shall bear the meaning ascribed thereto in section 128(1)(a) of the Companies Act, being the Shareholders of the Company, Creditors, Employees and Trade Unions;
 - 1.3.2.4.4. "**Board**" means the board of directors of the Company as at the Publication Date as set out in paragraph 2.2;
 - 1.3.2.4.5. "**BRPs**" means the Business Rescue practitioners of the Company, being van den Steen and Liebenberg;
 - 1.3.2.4.6. "**Business Day**" means any day other than a Saturday, Sunday, or official public holiday in South Africa;
 - 1.3.2.4.7. "**Business Rescue**" means the proceedings of the Company conducted under Chapter 6 of the Companies Act;
 - 1.3.2.4.8. "**Business Rescue Costs**" means the remuneration, expenses, disbursements, and fees of the BRPs and their Advisors, as well as other costs of the Business Rescue;
 - 1.3.2.4.9. "**Business Rescue Plan**" means this document together with all of its annexures, as amended from time to time, and prepared in accordance with section 150 of the Companies Act;

- 1.3.2.4.10. "**Calculation Expert**" – the person or entity agreed upon by the Parties tasked with making a determination as contemplated paragraph 3.3.2;
- 1.3.2.4.11. "**CIG**" means Consolidated Infrastructure Group Limited (registration number: 2007/004935/06), a public company incorporated in accordance with the laws of South Africa, at present in Business Rescue;
- 1.3.2.4.12. "**CIPC**" means the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
- 1.3.2.4.13. "**Claims**" means all actual and/or alleged monetary claims against the Company including claims which are disputed, contingent, conditional, liquidated, or unliquidated (including claims for damages);
- 1.3.2.4.14. "**Commencement Date**" means 2 November 2020, being the date upon which Business Rescue commenced in accordance with section 129 of the Companies Act;
- 1.3.2.4.15. "**Company**" means Consolidated Power Projects Proprietary Limited (registration number: 1963/006171/07), a private company with limited liability incorporated in accordance with the laws of South Africa, at present in Business Rescue;
- 1.3.2.4.16. "**Companies Act**" means the Companies Act 71 of 2008, as amended, including the regulations promulgated thereunder;
- 1.3.2.4.17. "**CONCO Group**" means Consolidated Power Projects Group South Africa Proprietary Limited (registration number: 2015/034106/07), a private company with limited liability incorporated in accordance with the laws of South Africa;
- 1.3.2.4.18. "**Construction Works**" means construction works and construction-related professional services under a construction contract, agreement or arrangement;
- 1.3.2.4.19. "**Creditor**" means any creditors, whether Disputed Creditors or Contingent Creditors, with a monetary claim against the Company;
- 1.3.2.4.20. "**Deloitte**" means the Partnership of Deloitte and Touche (IRBA registration number: 902276);

- 1.3.2.4.21. "**Disputed Claim**" – means any Claim where the existence, value, class of the Claim, or security in respect of a Claim, is disputed by the BRPs and/or by an Affected Person;
- 1.3.2.4.22. "**Disputed Creditor**" means a Person with a Disputed Claim;
- 1.3.2.4.23. "**Dispute Mechanism**" means the dispute resolution mechanism outlined in paragraph 3.3.2;
- 1.3.2.4.24. "**Distribution**" means the payment of one or more amounts to Creditors as provided for in this Business Rescue Plan;
- 1.3.2.4.25. "**Financially Distressed**" or "**Financial Distress**" shall bear the meaning ascribed thereto in section 128(i)(f) of the Companies Act;
- 1.3.2.4.26. "**Expunged**" means Claims that have been finally discharged in terms of this Business Rescue Plan by way of a release of the Company in terms of section 150(2)(b)(ii), read with sections 152(4) and 154 of the Companies Act, whereby any such Claims or part thereof can no longer be enforced against the Company;
- 1.3.2.4.27. "**High Court**" means the High Court of South Africa;
- 1.3.2.4.28. "**Insolvency Law**" means the Insolvency Act 24 of 1936, as amended and Chapter 14 of the Companies Act 61 of 1973;
- 1.3.2.4.29. "**Liebenberg**" means Martin Du Toit Liebenberg (identity number 8101185230081) a BRP as contemplated in section 128(1)(d) of the Companies Act;
- 1.3.2.4.30. "**Lombard**" means Lombard Insurance Company Limited (registration number: 1990/001253/06), a company registered and incorporated in accordance with the company laws of South Africa;
- 1.3.2.4.31. "**LRA**" means the Labour Relations Act 66 of 1995, as amended;
- 1.3.2.4.32. "**Management**" means the management team of the Company who have been responsible for managing the day-to-day operations of the Company from the Commencement Date under the supervision and authority of the BRPs;
- 1.3.2.4.33. "**Meeting**" means the virtual meeting to be held in terms of section 151 of the Companies Act (and conducted over a video-conferencing platform –

details of which will be provided to Affected Persons prior to the Meeting) on **12 March 2021 at 10h00** for the purpose of voting on this Business Rescue Plan;

- 1.3.2.4.34. "**Metis**" means Metis Strategic Advisors Proprietary Limited (registration number 2015/220685/07) a limited liability company registered and incorporated in accordance with the laws of South Africa;
- 1.3.2.4.35. "**PCF**" means post commencement finance obtained by the Company from a PCF Creditor or PCF Lender under section 135(2) of the Companies Act;
- 1.3.2.4.36. "**PCF Creditor**" means a Creditor, as authorised and accepted as such by the BRPs, from whom the Company has obtained goods and/or services during Business Rescue;
- 1.3.2.4.37. "**PCF Employee**" means any employee of the Company who rendered services to the Company and is owed any remuneration, reimbursement for expenses or other amount of money relating to employment that became due and payable during the Company's Business Rescue as contemplated in section 135(1) of the Companies Act;
- 1.3.2.4.38. "**PCF Lender/s**" means SBSA, SCB, Lombard and Santam;
- 1.3.2.4.39. "**Preferent Creditor**" means a Creditor who would have a preferent Claim against the Company as envisaged in Insolvency Law;
- 1.3.2.4.40. "**Preferent Employee**" means current and former employees of the Company who hold an unsecured preferent claim against the Company in terms of section 144(2) of the Companies Act, arising from any remuneration, reimbursement for expenses or other amount of money relating to employment that became due and payable by the Company to that employee at any time before the Commencement Date, and which had not been paid to that employee immediately before the Commencement Date;
- 1.3.2.4.41. "**Projects**": " means agreements concluded between the Company and a relevant employer to perform Construction Works;
- 1.3.2.4.42. "**Proposal/s**" means the proposals set out in Chapter 2 of this Business Rescue Plan read with Annexure C to the Business Rescue Plan;

- 1.3.2.4.43. "**Publication Date**" means the date on which this Business Rescue Plan is published to Affected Persons in terms of section 150(5) of the Companies Act, being **1 March 2021**;
- 1.3.2.4.44. "**Rand**" or "**R**" or "**ZAR**" means the lawful currency of South Africa;
- 1.3.2.4.45. "**Rejection Date**" means the date on which a Claim is rejected by the BRPs in accordance with the provisions of this Business Rescue Plans;
- 1.3.2.4.46. "**Santam**" means Santam Limited (registration number: 1918/001680/06), a public company duly incorporated under the laws of South Africa;
- 1.3.2.4.47. "**SARS**" means the South African Revenue Services;
- 1.3.2.4.48. "**SBSA**" means The Standard Bank of South Africa Ltd (registration number: 1962/000738/06), a public company and registered bank duly incorporated in terms of the laws of South Africa;
- 1.3.2.4.49. "**SCB**" means Standard Chartered Bank Johannesburg Branch (registration number: 2003/020177/10), an external company and registered bank duly incorporated in terms of the laws of South Africa;
- 1.3.2.4.50. "**Secured Creditor**" means a Creditor who holds security for a Claim against the Company in terms of Insolvency Law;
- 1.3.2.4.51. "**Securities**" means any shares, debentures, or other instruments, irrespective of their form or title, issued or authorised to be issued by a profit company, as defined in the Companies Act;
- 1.3.2.4.52. "**Shareholder**" means, a shareholder as defined in section 1 of the Companies Act, of the Company;
- 1.3.2.4.53. "**South Africa**" means the Republic of South Africa;
- 1.3.2.4.54. "**Substantial Implementation Date**" means the date upon which the BRPs file a notice of substantial implementation with the CIPC, which is in the BRPs' sole and absolute discretion;
- 1.3.2.4.55. "**Tax**" includes any tax, imposition, levy, duty, charge, fee, deduction or withholding of any nature (including securities transfer tax and stamp, documentary, registration, or other like duty) and any interest, penalty or other amount payable in connection therewith, which is lawfully imposed, levied, collected, withheld or assessed under the laws of South Africa or any

other relevant jurisdiction and "**Taxes**", "**Taxation**" and other cognate terms shall be construed accordingly;

- 1.3.2.4.56. "**Trade Unions**" means the National Union of Metalworkers of South Africa and UASA;
- 1.3.2.4.57. "**Unsecured Creditors**" means all Creditors with liquidated unsecured concurrent Claims against the Company;
- 1.3.2.4.58. "**van den Steen**" means Petrus Francois van den Steen (identity number 6811075024087) a BRP as contemplated in section 128(1)(d) of the Companies Act;
- 1.3.2.4.59. "**VAT**" means the value-added tax levied in terms of the Value-Added Tax Act 89 of 1991, as amended;
- 1.3.2.4.60. "**Werksmans**" means Werksmans Incorporated (registration number: 1990/007215/21), a firm of attorneys practising as such at The Central, 96 Rivonia Road, Sandton, 2196.
- 1.3.3. Any reference to any statute, regulation or other legislation in this Business Rescue Plan shall be a reference to that statute, regulation, or other legislation as at the Publication Date, and as amended or substituted from time to time.
- 1.3.4. Any reference in the Business Rescue Plan to any other agreement or document shall be construed as a reference to such other agreement, as may from time to time be amended, varied, novated, or supplemented.
- 1.3.5. If any provision in a definition in this Business Rescue Plan is a substantive provision conferring a right or imposing an obligation on any person or entity then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of this Business Rescue Plan.
- 1.3.6. Where any term is defined in this Business Rescue Plan within a particular paragraph other than this paragraph 1.3, that term shall bear the meaning ascribed to it in that paragraph wherever it is used in this Business Rescue Plan.
- 1.3.7. Where any number of days is to be calculated from a particular day, such number shall be calculated as excluding such particular day and commencing on the next day, if the last day of such number so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the next succeeding day which is a Business Day.

- 1.3.8. Any reference to days (other than a reference to Business Days), months or years shall be a reference to calendar days, months or years, as the case may be.
- 1.3.9. Words or terms that are capitalised and not otherwise defined in the body of this Business Rescue Plan (excluding capitalised words or terms used for the purpose of headings or tables) shall bear the meaning assigned to them in the Companies Act.
- 1.3.10. The use of the word "**including**", "**includes**" or "**include**" followed by specific examples shall not be construed as limiting the meaning of the general wording preceding it and *the eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific examples.
- 1.3.11. To the extent that any provision of this Business Rescue Plan is ambiguous, it is to be interpreted in a manner that is consistent with the purpose of the Business Rescue provisions in Chapter 6 of the Companies Act.
- 1.3.12. Unless otherwise stated, all references to sections are references to sections in the Companies Act.
- 1.3.13. All information provided in the Business Rescue Plan is reflected as at the Publication Date, unless otherwise indicated in the Business Rescue Plan.

1.4. Executive Summary:

- 1.4.1. The key aspects of the Proposal are set out in Annexure C.
- 1.4.2. The strategy to be Adopted in the execution of this Business Rescue Plan, with the support of the PCF Lenders, is in summary:
- 1.4.2.1. to achieve a better return for the Company's Creditors than would result from the immediate liquidation of the Company;
 - 1.4.2.2. to the fullest extent possible, and where there is a direct benefit to the Company, endeavouring to bring Projects to a state of final completion in order to optimise net cash inflows, avoid the crystallisation of bonds and/or guarantees and to avoid as far as possible the incurrence of contract claims/penalties. In this regard it is noted that such bond/guarantee crystallisations and claim/penalty incurrences would, if Projects were abandoned, add materially to the Claims of the Creditors and thus to the obligations of

the Company that would be required to be settled from the limited source of available funds;

- 1.4.2.3. providing direct or indirect financial assistance to the Company's inter-related companies (where deemed appropriate), which financial assistance may include the provision of loans, the issuance of guarantees (or other like instruments and/or Securities) and/or the subordination of claims owing to the Company, where such actions would result in a direct or indirect benefit to the Company;
 - 1.4.2.4. reducing the cost base of the Company;
 - 1.4.2.5. disposing of any assets of the Company where value can be earned for the Company and/or the obligations of the Company can be extinguished or mitigated;
 - 1.4.2.6. providing from the above to cater for the costs of the Business Rescue, providing for any costs which may have to be incurred by the erstwhile BRPs after termination of the Business Rescue, providing for any costs as may be related to paragraph 1.4.2.7 and 1.4.2.8, and thereafter distributing net funds to Creditors;
 - 1.4.2.7. winding down the Company in the most cost-effective manner; and
 - 1.4.2.8. thereafter, as the BRPs may in their sole discretion determine, returning the Company to its Director(s) once a notice of substantial implementation has been filed with the CIPC, or applying for the Company's deregistration, alternatively, the Company's provisional or final liquidation.
- 1.4.3. Creditors will be asked to vote on the Business Rescue Plan at the Meeting.
 - 1.4.4. Affected Persons are referred to Annexure F of this Business Rescue Plan which sets out the Creditors that the BRPs have accepted and/or recognised.
 - 1.4.5. If any Creditor disputes its Claim, such Creditor is directed to paragraphs 2.10 and 3.3 of this Business Rescue Plan.
 - 1.4.6. Creditors will vote the value of the amount owed to that Creditor, as determined by the BRPs (refer to paragraph 2.11).
 - 1.4.7. For the Business Rescue Plan to be Adopted it must be supported by the holders of more than 75% of the Creditors' voting interests that were voted and the votes in support of the Business

Rescue Plan must include at least 50% of independent creditors voting interests, if any, that were voted.

- 1.4.8. The Business Rescue Plan does not alter the rights of the sole Shareholder of the Company and the Shareholder will therefore not be required to vote on this Business Rescue Plan. Adoption of this Business Rescue Plan by the Creditors alone in accordance with paragraph 1.4.7 will therefore constitute final Adoption of the Business Rescue Plan.
- 1.4.9. Table 1 below is a reasonable estimate of the anticipated aggregate cents in the Rand that may be payable to Creditors as a Distribution in accordance with this Business Rescue Plan. The estimated Distribution/s (i.e., cents in the Rand) if realised will be paid to Creditors if the Business Rescue Plan is Adopted. Please refer to Table 2 for a summary of Creditors.

TABLE 1: Distributions in Liquidation and Business Rescue per Class of Creditor

CLASS OF CREDITOR	ESTIMATED LIQUIDATION DIVIDEND		ESTIMATED BUSINESS RESCUE DISTRIBUTIONS	
	Low Cents/Rand	High Cents/Rand	Low Cents/Rand	High Cents/Rand
Secured Creditors	1.5	2.9	22.6	31.7
PCF Employees	N/A	N/A	N/A	N/A
PCF Lenders	N/A	N/A	60.0	90.0
PCF Creditors	N/A	N/A	100.0	100.0
Preferent Creditors	100	100	100.0	100.0
Preferent Employees	N/A	N/A	100.0	100.0
Unsecured Creditors	0.0	0.0	0.0*	0.0*

* There are a number of essential and critical suppliers of goods and services to Projects, subsidiaries and related companies that have continued to provide goods and services during the Company's Business Rescue, who have been and will continue to be paid in the ordinary course of business. The PCF provided by the PCF Lender/s has and will enable continued trading by the Company in order to bring Projects to final completion for the benefit of Affected Persons of the Company.

Please note - Secured Creditors will receive a dividend in the Rand based on the realisation value of their security in accordance with section 134 of the Companies Act. The remaining balance of any Secured Creditors' Claims will be treated as an Unsecured Creditor.

1.4.10. The Distributions referred to in the table above reflect the best estimate of the anticipated Distributions as at the Publication Date. This may vary depending on-

1.4.10.1. any additional PCF that may be required by the Company during the implementation of the Business Rescue Plan;

1.4.10.2. whether risks including, but not limited to, those contemplated in paragraph 2.21 of this Business Rescue Plan, materialise.

1.4.11. Once the BRPs pay a final Distribution to Creditors in terms of this Business Rescue Plan all Claims against the Company will be Expunged.

2. CHAPTER 2 – PROPOSAL

PART A - BACKGROUND

2.1. Holding Company:

2.1.1. CONCO Group is the sole Shareholder of the Company. An organogram of the group of entities to which the Company belongs is contained in Annexure B.

2.2. Director(s) of the Company:

2.2.1. As at the Publication Date, the executive Director(s) of the Company, according to the CIPC, are Johnny Amos Dladla and David van Zyl (the latter had resigned pre commencement of Business Rescue).

2.3. Company Information:

Financial Year End	31 August
Registered Business Address	1 Shale Avenue - N1 Business Park, Cnr Old Johannesburg And Tlokwā Str, Kosmosdal Centurion, Gauteng, 0157, South Africa
Postal Address	PVT Bag X42, Halfway House Midrand, Gauteng, 1685, South Africa
Business Telephone Number	+27 (11) 805 4281/2/3
Accountants / Auditors	PwC South Africa

2.4. Company Background:

2.4.1. The CONCO Group of companies is Africa's largest power infrastructure service provider with three decades of Africa-wide experience in transmission, distribution, and power infrastructure development.

2.4.2. The CONCO Group of companies provides high voltage turnkey solutions to a multitude of customers across the African continent and the Middle East.

2.4.3. The Company is a subsidiary of CONCO Group with the ultimate parent being CIG (which is a decentralised Pan-African infrastructure group that focuses primarily on the energy and oil and gas sectors) and has three main operating companies, namely Consolidated Power

Projects (Pty) Ltd South Africa, Consolidated Power Projects International SA (Pty) Ltd and Consolidated Power Projects Energy Solutions (Pty) Ltd.

- 2.4.4. The Company started out as a construction company and moved into the engineering, procurement, and construction space. The Company enjoyed rapid and extensive growth, with an extensive footprint across the African continent and diversified into the electrification of renewable energy sites.

2.5. Events which led to the Company commencing Business Rescue:

- 2.5.1. The Company's financial position was adversely affected by poor financial and operational performance over a number of years for, *inter alia*, the following reasons –

- 2.5.1.1. continued margin erosion due to a diminished demand for new Projects;
 - 2.5.1.2. the incurrence by the Company of operational penalties and liquidated damages for failing to deliver on set project-related target dates;
 - 2.5.1.3. the failure by the Company to achieve budgeted margins;
 - 2.5.1.4. poor contracting and alignment of project cash outflows versus inflows;
 - 2.5.1.5. constrained liquidity, for the reasons set out directly above and as a result of poor collections from local and foreign debtors by the Company and its direct and indirect subsidiaries;
 - 2.5.1.6. significant levels of indebtedness and, in particular, the interest paid thereon;
 - 2.5.1.7. constrained access to performance guarantees for new Projects; and
 - 2.5.1.8. significant overhead costs, including a well remunerated workforce which were retained to ensure the retention of key skills and infrastructure in anticipation of the government's energy development plans for renewable energy Projects.
- 2.5.2. The Company's constrained financial position was exacerbated by the unprecedented economic effects of the COVID-19 pandemic and the nationwide lock-down ordered by the President on Monday, 23 March 2020, in terms of the Disaster Management Act 57 of 2002 and the regulations promulgated thereunder, which also severely limited the Company's ability to conclude any new contracts. A significant portion of the project managers and project teams were unable to return to site during the national lockdown, with the result that project sites were idle for some time, all the while incurring fixed overhead costs and penalties.

- 2.5.3. As at the end of August 2019, being the Company's financial year end, the accumulated loss made by the Company was R872 million. As of 31 August 2020, the Company had made a cumulative loss of approximately R967 million for the financial year to date. As of 31 August 2020, its liabilities exceed its assets by R961million.
- 2.5.4. The Company had an ongoing working-capital shortfall and had exhausted all forms of intra-group and external funding that was previously available to it.
- 2.5.5. The Company is party to several legal proceedings, details of which are set out in Annexure E. The BRPs are in the process of reviewing/resolving these on an on-going basis.
- 2.5.6. The Board of the Company passed a resolution to place the Company in Business Rescue on the 2 November 2020. This is the date that Business Rescue commenced. The BRPs were appointed on 2 November 2020.

2.6. Aims and objectives of business rescue:

- 2.6.1. A business rescue aims to facilitate the rehabilitation of a company that is Financially Distressed by providing for –
- 2.6.1.1. the temporary supervision of the company by the BRPs, and the management of its affairs, business, and property by the BRPs; and
 - 2.6.1.2. a temporary moratorium on the rights of claimants against a company or in respect of property in its possession; and
 - 2.6.1.3. the development and implementation of a business rescue plan which has as its aim either, or both –
 - 2.6.1.3.1. the rescue of the company by restructuring its affairs, business, property, debt and other liabilities, and equity in a manner that maximises the likelihood of the company continuing in existence on a solvent basis; and/or
 - 2.6.1.3.2. achieving a better return for the company's creditors or shareholders than would result from the immediate liquidation of the company.
- 2.6.2. With the implementation of this Business Rescue Plan, the BRPs, with the support of the PCF Lenders, intend to optimise the returns to Creditors by –

- 2.6.2.1. endeavouring to bring Projects to a state of final completion in circumstances where there is a direct benefit to the Company or its Affected Persons;
 - 2.6.2.2. providing direct or indirect financial assistance to the Company's related and/or inter-related companies (where deemed appropriate), which financial assistance may include the provision of loans, the issuance of guarantees (or other like instruments and/or Securities) and/or the subordination of claims owing to the Company by related and/or inter-related companies;
 - 2.6.2.3. providing from the above to cater for the costs of the Business Rescue, providing for any costs which may have to be incurred by the erstwhile BRPs after termination of the Business Rescue, providing for any costs as may be related to paragraph 2.6.2.4 and 2.6.2.5, and thereafter distributing net funds to Creditors;
 - 2.6.2.4. thereafter, winding down the Company in the most cost-effective manner; and
 - 2.6.2.5. thereafter, returning the Company to its Director(s) once a notice of substantial implementation has been filed with the CIPC, or applying for the Company's deregistration, alternatively, the Company's provisional or final liquidation, as the BRPs in their sole discretion may determine.
- 2.6.3. It is anticipated that by adopting the above, the Business Rescue of the Company is likely to meet the requirement of paragraph 2.6.1.3.2 above.

2.7. Business Rescue events:

- 2.7.1. The salient dates pertaining to the Business Rescue of the Company are set out below;

BUSINESS RESCUE EVENT	DATE
Board Resolution	2 November 2020
Commencement of Business Rescue	
Appointment of the BRPs	
Notice to Affected Persons about the commencement of Business Rescue and the appointment of the BRPs	9 November 2020
First statutory meeting of Creditors	16 November 2020
First statutory meeting of Employees	
Request for an extension of the date to publish the Business Rescue Plan	
Confirmation of extension of the date to publish the Business Rescue Plan to 1 March 2021	23 November 2020
Meetings in terms of section 143 of the Companies Act to vote on the BRPs' remuneration agreement,	10 December 2020
Shareholder meeting	
Creditors meeting	
Notice in terms of section 145(5)(c) of the Companies Act	19 February 2021
Publication of the Business Rescue Plan	1 March 2021
General Notice to Affected Persons published in the Beeld and The Star	12 February 2021
Receipt of Proxies	10 March 2021
Delivery by Hand	
Email	
Meeting to consider this Business Rescue Plan	12 March 2021

2.7.2. All notices that have been published to the Affected Persons of the Company can be obtained from the Company's website at www.concogrp.com, under the Business Rescue tab.

2.8. Steps taken since the appointment of the BRPs

2.8.1. Management Control - In terms of section 140(1)(a) of the Companies Act, the BRPs took full management control of the Company and delegated certain functions to Management in terms of section 140(1)(b) of the Companies Act.

2.8.2. Reporting - The BRPs have complied with all statutory obligations in terms of Chapter 6 of the Companies Act and will continue to comply with such statutory obligations, and in particular

will render monthly status reports to Affected Persons and the CIPC as contemplated in section 132(3) of the Companies Act until the termination of the Business Rescue.

- 2.8.3. Operations - For the duration of the Company's Business Rescue, the Company has continued to operate on a limited basis, with the significant support of the PCF Lenders.
- 2.8.4. PCF - It is critical to the successful outcome of the Business Rescue that PCF funding is received timeously. This will reduce execution risk, Project delays and potential negative financial impacts. Accordingly, the BRPs have since their appointment devoted a significant amount of time, effort and resources towards engaging with the PCF Lenders in order to secure the requisite PCF. Approximately R157 million in PCF has been advanced and this is expected to increase to a total of approximately R305 million.
- 2.8.5. Extension of the Date for Publication of Business Rescue Plan – In terms of section 150(5) of the Companies Act, the Business Rescue Plan was required to be published on 8 December 2020 (i.e. within 25 days from the date of the appointment of the BRPs). The BRPs obtained approval from the Creditors for an extension of the Publication Date to **1 March 2021** in accordance with section 150(5)(b) of the Companies Act.
- 2.8.6. Employees –
- 2.8.6.1. Key employees, where possible, have continued to be employed by the Company, on the same terms and conditions as before the commencement of Business Rescue. These employees will continue to be employed for the duration required in order to implement the Business Rescue Plan and to facilitate the continued operational requirements of the Company.
- 2.8.6.2. The first statutory meeting of employees, in terms of section 148 of the Act, was convened virtually on 16 November 2020. Thereafter, an Employees committee was formed by employees of the Company who volunteered or who were nominated by their colleagues to represent them on the committee. To date, the BRPs have convened two virtual meetings with the employees committee to discuss the Business Rescue of the Company, the first was held on 30 November 2020 and the second on 9 December 2020. The most recent employees' committee meeting was convened by the BRPs on 19 February 2021.
- 2.8.6.3. Prior to the commencement of the Business Rescue, in October 2020, the Company initiated a section 189A large scale retrenchment process in terms of the LRA in respect

of all staff. It is anticipated that this process will continue throughout the Business Rescue to the exclusion of the key employees mentioned above.

2.8.6.4. The Director of the Company has continued in the employ of the Company and is assisting the BRPs where necessary. The Director reports directly to the BRPs during Business Rescue as referred to in paragraph 2.8.1 above.

2.8.7. Creditors –

2.8.7.1. The first meeting of Creditors, as contemplated in section 147 of the Act, was convened virtually on 16 November 2020.

2.8.7.2. At the first statutory meeting of creditors, the BRPs called for nominations for representatives to sit on a creditors' committee. The BRPs received nominations and volunteers through the Business Rescue email address and contacted the interested individuals. The first creditors' committee meeting was convened virtually on 30 November 2020 and the most recent creditors' committee meeting was held on 19 February 2021.

2.8.7.3. The BRPs have kept creditors and all other Affected Persons informed of the developments of the Business Rescue by publishing regular notices and/or status reports to Affected Persons.

2.8.8. Claims Reconciliation –

2.8.8.1. The BRPs have received claim forms from numerous Persons. A verification process has been undertaken to reconcile the claim forms received from with the amounts reflected in the records of the Company. Further details about are set out in paragraph 2.10, read with Annexure F.

2.8.9. Contracts –

2.8.9.1. Suspension of the Company's Obligations - Section 136(2)(a) of the Companies Act allows the BRPs to entirely, partially, or conditionally suspend, for the duration of the Business Rescue, any obligation of the Company that arises under an agreement to which the Company was a party at the Commencement Date and would otherwise become due during the Business Rescue. The BRPs reserve their right in this regard, as and when the BRPs deem it necessary, prior to the termination of the Business Rescue. All Company obligations are currently under review.

- 2.8.9.2. Cancellation of the Company's Obligations – The BRPs further have the right, in terms of section 136(2)(b) of the Companies Act, to cancel any obligation of the Company that arises under an agreement to which the Company was a party at the Commencement Date and that would otherwise become due during the Business Rescue on application to the High Court. The BRPs reserve the right to terminate any obligation that they deem necessary to terminate, on application to the High Court, prior to the termination of the Business Rescue.
- 2.8.9.3. Review of Existing Agreements – The BRPs are currently reviewing the Projects and associated agreements with the intention of endeavouring to bring such Projects which are beneficial to the Company to a state of final completion in an effort to enhance the potential Distributions to Affected Persons where applicable.
- 2.8.9.4. Moratorium - Counterparties to all agreements in which the Company's obligations are suspended or cancelled should be guided by the moratorium which excludes a claim by a contractual counterparty for specific performance. The course of action available to that party is to submit a claim for damages under as a Disputed Creditor and to follow the Dispute Mechanism set out in paragraph 3.3.
- 2.8.10. Engagement with the PCF Lenders - The BRPs have engaged extensively with the PCF Lenders and obtained PCF aimed at:
- 2.8.10.1. endeavouring to bring Projects to a state of final completion where there is a direct benefit to the Company;
 - 2.8.10.2. funding the working capital requirements of the Company; and
 - 2.8.10.3. funding the winding down of the Company.
- 2.8.11. Engagement with Shareholders – The BRPs have consulted and engaged with the sole Shareholder, CONCO Group and ultimately CIG at all stages of the Company's Business Rescue.
- 2.8.12. Cost Reduction Initiatives - Since appointment, the BRPs have made ongoing efforts to reduce operating costs of the Company, wherever possible and, in this regard, have continued with the section 189 retrenchment process referred to in paragraph 2.8.6.3 above.
- 2.8.13. Cash Management - In order to minimise the operating expenses of the Company, the BRPs continue to monitor the cash flow and financial position of the Company, control payments and enforce general controls.

2.9. Material assets and security (Section 150(2)(a)(i)):

2.9.1. A list of the material assets of the Company is set out in Annexure A. The below list of Assets is the pre-Business Rescue book values at 31 October 2020. The realisable value of the assets as determined by Deloitte in the Liquidation Estimated Outcome Statement amount to approximately R64,104m.

MATERIAL ASSETS	31-Oct-20
	R'000
Non-current assets	
Property plant and equipment	16 894
Right of Use Assets	22 508
Investments in subsidiaries	363 743
Total Non-current assets	403 145
Current assets	
Loans to group accounts	2 199 118
Current tax receivable	11 353
Contract debtors	110 373
Work in progress from contract customers	88 447
Trade and other receivables	59 669
Cash and cash equivalents	11 649
Total Current assets	2 480 608
TOTAL ASSETS	2 883 753

2.10. Creditors of the Company (Section 150(2)(a)(ii)):

2.10.1. The BRPs accept the Company records as being correct unless the Person can prove otherwise.

2.10.2. Claims that do not reflect in Annexure F of this Business Rescue Plan will be regarded as Disputed Claims, and Disputed Creditors will only be allowed a voting interest at the Meeting as determined by the BRPs in their sole discretion and any such allowance shall be without prejudice to the Company's rights to dispute the Disputed Claim, and will be further dealt with in accordance with the Dispute Mechanism contemplated in paragraphs 2.11.2 and 3.3.

2.10.3. The Claims that the BRPs have accepted, in whole or in part, are set out in Annexure F. A summary of the various classes of creditors of the Company as at commencement of Business Rescue is reflected in the table hereunder:

Table 2: Summary of the Various Classes of Creditors of the Company

CREDITOR TYPE	CREDITOR CATEGORY	ACCEPTED/PROVEN CLAIM
Secured Creditors	Overdrafts	R 625 075 939.23
	Trade Finance	R 409 090 514.46
	Vehicle and Asset Finance	R 85 607.00
	Credit Cards	R 407 750.59
	Guarantees crystallised	R 183 451 816.15
	Financial and Performance Guarantees	R 1 100 954 408.42
PCF Employees	N/A	R0.00
PCF Lenders	Post-Commencement Finance Received	R 156 778 724.82
PCF Creditors	N/A	R0.00
Preferent Creditors	N/A	R0.00
Preferent Employees	N/A	R0.00
Independent Unsecured Creditors	Unsecured Creditors	R 431 330 521.35
Non-Independent Unsecured Creditors	Inter-Company Loans	R 2 073 738 936.05
TOTAL		R 4 980 914 218.07

2.10.4. All Affected Persons who believe that they have a claim against the Company are referred to Annexure F and should treat Annexure F as the BRPs' notification of the Claims that have been accepted as Creditors by the BRPs for purpose of the Business Rescue. If any Person is in disagreement with the information provided in Annexure F (being a Disputed Creditor), such Person should utilise the Dispute Mechanism set out in paragraph 3.3.

2.10.5. Following the Adoption of this Business Rescue, and the payment of the Distributions, all secured, statutory, preferent or Unsecured Claims of Creditors of the Company, the cause of action in respect of which arose either before or after the commencement of Business Rescue and of whatever nature and from whatsoever cause arising, including actual and contingent or prospective and further including conditional or unconditional, liquidated or unliquidated, assessed or unassessed Claims will, upon Adoption of this Business Rescue Plan, be treated and compromised in accordance with the provisions set out in this Business Rescue Plan.

2.11. Voting interests and voting by proxy

2.11.1. Voting Interests

- 2.11.1.1. In accordance with section 145(4) of the Companies Act, a creditor is entitled to vote as follows –
 - 2.11.1.2. a Secured or Unsecured Creditor has a voting interest equal to the value of the amount owed to that creditor by the Company; and
 - 2.11.1.3. an Unsecured Creditor who would be subordinated in a liquidation has a voting interest, as independently and expertly appraised and valued at the request of the BRPs, equal to the amount, if any, that the creditor could reasonably expect to receive on a liquidation of such company as set out in section 145(4)(b) of the Companies Act.
- 2.11.2. All Creditors
- 2.11.2.1. All Creditors will be entitled to vote the recognised value of their Claim as set out in Annexure F in respect of any vote conducted at the Meeting.
 - 2.11.2.2. Disputed Creditors will be allowed a voting interest at the Meeting as may be determined by the BRPs in their sole discretion and any such determination shall be without prejudice to the Company's rights to dispute the Disputed Claim.
 - 2.11.2.3. Disputed Creditors are invited to apply for a change in their voting interest (relative to Annexure F) up to 24 hours before the Meeting. Any BRP agreement to amend a disputed claimant's voting rights shall not be construed as an acceptance of the quantum of such claim, such determination being solely for the purposes of determining voting rights at the Meeting. Disputed Creditors will still be required to follow the Disputed Claim Mechanism contained in paragraph 3.3 below.
- 2.11.3. Non-Independent Creditors
- 2.11.3.1. A Creditor will not be "independent" if it is the holding company of a company, or if the creditor alone or together with any related or inter-related juristic person (i) is directly or indirectly able to exercise or control the exercise of a majority of the voting rights associated with Securities of that company, whether pursuant to a shareholders' agreement or otherwise, or (ii) has the right to appoint or elect, or control the appointment or election of, directors of that company who control a majority of the votes at a meeting of the board, or (iii) ("*...that first person has the ability to materially influence the policy of the juristic person in a manner comparable to a person who, in ordinary commercial practice, would be able to exercise an element of control...*")
 - 2.11.3.2. In accordance with sections 145(5)(a) and 145(5)(c) of the Companies Act, the BRPs are required to determine whether a Creditor is independent for purposes of the Business Rescue.

2.11.3.3. For purposes of this Business Rescue Plan, the BRPs have determined that all Creditors with the exception of CIG - the Company's ultimate holding company – are independent and will be counted as such for purposes of any votes cast at the Meeting and in respect of this Business Rescue Plan.

2.11.4. Shareholders

2.11.4.1. In accordance with section 146(d) of the Companies Act, a shareholder is entitled to vote on a Business Rescue Plan if the Business Rescue Plan alters the rights associated with the class of Securities held by that Securities holder.

2.11.4.2. This Business Rescue Plan does not alter the rights associated with any Securities, and/or class of Securities, held by Shareholders and accordingly such Shareholders are not required to, nor entitled to vote, on this Business Rescue Plan.

2.11.5. Vote by Proxy

2.11.5.1. Voting by proxy is permitted. A proxy form is enclosed as Annexure G.

2.11.5.2. Notwithstanding these forms, the BRPs have the discretion to accept any proxy submitted, no matter its form.

2.11.5.3. The proxy forms must include an appropriate resolution (for a juristic entity or trust) or power of attorney (for an individual) giving such representative the authority to attend and vote at the meeting on behalf of the juristic person, trust or individual.

2.11.5.4. Affected Persons who are voting by proxy are required to lodge each or any of their proxy forms by no later than **17h00 on Wednesday, 10 March 2021** or if by email, by no later than **17h00 on Thursday, 11 March 2021**.

2.12. Liquidation Estimated Outcome Statement (Section 150(2)(a)(iii)):

2.12.1. The BRPs engaged Deloitte as an independent expert to calculate the probable dividend that Creditors would receive if the Company were placed in liquidation as at the Commencement Date.

2.12.2. The probable dividend per Creditor class is reflected in Table 3 below:

Table 3: Liquidation Dividend per Class of Creditor

CLASS OF CREDITOR	LIQUIDATION
Secured Creditors	1.2 cents in the Rand (*)
Preferent Creditors: (section 99 and 101 of Insolvency Act)	100 cents in the Rand
Unsecured Creditors (including outstanding amounts owing to any Secured Creditors)	0 cents in the Rand
Shareholders	0 cents in the Rand

(*) Deloitte recommends that an execution risk of 1c/R must be considered for the prevailing risks in executing the liquidation process of the Company. The execution risk has been applied to both the upside and downside average recoverable of 2.2c/R for Secured Creditors. As a result, Secured Creditors would recover 1.2c/R after applying this execution risk. Readers to note the above does not take into account the time value of money.

- 2.12.3. If an Affected Person requires details relating to the liquidation dividend estimate calculation, such Affected Person is invited to contact the BRPs on the details set out in paragraph 3.4.1.2.
- 2.12.4. Deloitte requires that any Creditor requesting a copy of the liquidation estimated outcome statement sign a hold-harmless letter in favour of Deloitte.
- 2.12.5. The following disclaimers of Deloitte apply to the Liquidation Estimated Outcome Statement:
- 2.12.5.1. the potential liquidation dividend ("Output") may not necessarily meet the Affected Persons' requirements or objectives or address the specific circumstances of the purpose for which access to the Output is required by the Affected Persons;
 - 2.12.5.2. the Output does not constitute tax, accounting or legal advice to any Affected Persons and Affected Persons are advised to consult an independent attorney, accountant or any other professional advisor;
 - 2.12.5.3. Deloitte shall not be held responsible for any acts or omissions taken by an Affected Persons' reliance on the Output. Any reliance by the Affected Persons on the Output is entirely at the Affected Persons' own risk;

- 2.12.5.4. Deloitte does not warrant or represent that the information set out in the Output is sufficient or appropriate for the purpose for which access to the Output is required by the Affected Persons;
- 2.12.5.5. Deloitte neither owes nor accepts any legal duty to the Affected Persons or the Subject Entity whether in contract or in delict (including without limitation, negligence and breach of statutory duty), or howsoever otherwise arising, and shall not be liable in respect of any loss, damage or expense of whatsoever nature which is caused by the Affected Persons' use of (or conclusions drawn by it) the Output, or upon any representation, statement, judgement, explanation or other information obtained from Deloitte or made in relation thereto.

2.13. Holders of the Company's issued Securities (Section 150(2)(a)(iv))

- 2.13.1. CONCO Group is the sole Shareholder of the Company's issued Securities. This Business Rescue Plan does not alter the rights of Securities holders as envisaged in section 152(3)(c) of the Companies Act. CONCO Group, as sole Shareholder, is therefore not required, nor entitled, to vote on this Business Rescue Plan.

2.14. BRPs' remuneration (Section 150(2)(a)(v))

- 2.14.1. The regulations to the Companies Act prescribe an hourly tariff (inclusive of VAT) for the payment of the fees of a BRP.
- 2.14.2. The Company is classified, in terms of regulation 26(2) read with regulation 127(2)(b)(i) of the Companies Act, as a large company in that it has a public interest score greater than 500 points.
- 2.14.3. The Company's public interest score at the Commencement Date was 4684 points.
- 2.14.4. Accordingly, in terms of regulation 127(5), the Company required the appointment of at least one senior BRP.
- 2.14.5. The remuneration agreement was approved in terms of section 143 of the Companies Act and is final and binding on the Company. It was supported by:
- 2.14.5.1. The sole Shareholder of the Company, on 10 December 2020; and

2.14.5.2. the holders of a majority of the Creditors' voting interests present and voting at a meeting that was called for the purpose of considering the remuneration agreement, on 27 January 2021.

2.14.6. A copy of the Remuneration Agreement is enclosed with **Annexure H**.

2.15. Proposal made informally by Creditors (Section 150(2)(a)(vi))

2.15.1. This Business Rescue Plan does not include any informal proposals made by Creditors of the Company however the BRPs have consulted with Creditors either through the auspices of the Creditors committee or directly in respect of PCF.

PART B –TERMS OF PROPOSAL

2.16. Terms of the Proposal

- 2.16.1. The key aspects of the Proposal are set out in Annexure C.
- 2.16.2. Affected Persons are advised, should they so wish or require, to consult an independent attorney, accountant, or other professional advisor in respect of this Proposal.

2.17. Effect of the Proposal:

2.17.1. Ongoing role of the Company and the treatment of existing contracts (Section 150(2)(b)(iii)

- 2.17.1.1. Where the BRPs determine it to be in the best interests of Creditors to continue with agreements concluded between Affected Persons and the Company, the agreements have continued.
- 2.17.1.2. Agreements concluded between Affected Persons and the Company, not specifically dealt with in the above paragraph, are subject to ongoing evaluation and negotiations by the BRPs in an effort to mitigate risks and optimise the Distribution.

2.17.2. The property of the Company that is to be available to pay Creditors' Claims in terms of the Business Rescue Plan (Section 150(2)(b)(iv)

- 2.17.2.1. The realisable portion of material assets as listed in Annexure A will be utilised to fund the operations of the Company, costs of the Business Rescue, providing for any costs which may have to be incurred by the erstwhile BRPs after termination of the Business Rescue, providing for any costs as may be related to paragraph 2.6.2.4 and 2.6.2.5, and then to pay the Distributions to Creditors or reduce the requirement for PCF in terms of this Business Rescue Plan, subject to any deductions provided for in this Business Rescue Plan.
- 2.17.2.2. As outlined in Annexure D, the Distribution to Creditors is a function of:
- 2.17.2.2.1. the net project cash flows which comprise the expected revenue generated through the completion of each Project (including where applicable additional revenue from variation orders) less the specific costs to complete the Project;

2.17.2.2.2. the overheads, including Business Rescue Costs incurred to achieve the Projects cash flows; and

2.17.2.2.3. the proceeds from the sale of the Company's realisable assets. The key assets expected to realise value include vehicles and plant & machinery.

2.17.3. Effect on Creditors (Section 150(2)(b)(v))

In terms of the Companies Act, Distributions will be paid in the following order of priority in terms of the Business Rescue Plan and while the Company is in Business Rescue.

2.17.3.1. Proceeds from Unencumbered Assets and Project cash flows

2.17.3.1.1. Business Rescue Costs;

2.17.3.1.2. PCF Employees as a result of their employment during Business Rescue (to the extent that they have not been paid for services rendered during Business Rescue);

2.17.3.1.3. Unsecured PCF Creditors, who will rank in the order in which the PCF was provided;

2.17.3.1.4. Preferent Employees;

2.17.3.1.5. Unsecured Creditors (if there is any residual); and

2.17.3.1.6. Shareholder (if there is any residual).

2.17.3.2. Proceeds from Encumbered Assets –

2.17.3.2.1. A PCF Creditor, who is also a Secured Creditor, will receive Distributions arising from the realisation of the value of its security, and if any residual Claim remains after the realisation of any security, that PCF Creditor will be treated as an Unsecured PCF Creditor with respect to that residual Claim;

2.17.3.2.2. A Secured Creditor will receive Distributions arising from the realisation of the value of its security, and if any residual Claim remains after the realisation of any security that Creditor will be treated as an Unsecured Creditor with respect to that residual Claim.

2.17.3.3. The expected Distribution to Creditors is set out in the Table 4 below.

Table 4: Distribution to Creditors in Business Rescue

CREDITOR PAYMENTS	APPROXIMATE CREDITOR CLAIMS	ESTIMATED BUSINESS RESCUE DISTRIBUTIONS			
		LOW		HIGH	
	Rm	Rm	%	Rm	%
Secured Creditors	2 319	514	22.6	720	31.7
PCF Employees	N/A	N/A	0	N/A	0
PCF Lenders	237 (*)	142	60	213	90
Preferent Employees (**)	N/A	N/A	0	N/A	0
Unsecured Creditors	2 505	0.0	0	0.0	0
TOTAL	5 061				

(*) A total amount of PCF of approximately R305m has been requested to be made available should it be required. As at the Publication Date, total PCF in the amount of approximately R157 million had been advanced by the PCF Lenders (as per Annexure F) and the cash flow forecast currently anticipates a further drawdown of R61m and interest of R19m over the forecast period.

(**) Employees are anticipated to receive their full entitlements including severance benefits under the LRA.

2.17.3.4. To the extent that agreements concluded between the Company and counterparties and/or obligations are cancelled, modified, suspended or restructured, any Claim for damages will be limited as contemplated in paragraph 2.17.3.5.

2.17.3.5. Claims for damages, whether contractual or delictual against the Company, once determined through the Dispute Mechanism paragraph 3.3.2 or by the High Court or similar proceedings, as the BRPs may consent to, will be treated as follows–

2.17.3.5.1. as an Unsecured Creditor, unless the Creditor holds security for such Claim;

2.17.3.5.2. shall be limited to general damages, save as is otherwise provided for in the relevant agreement, as determined through the Dispute Mechanism or by the High Court or similar proceedings as the BRPs may in their sole discretion

consent to. For purposes hereof, general damages are those which, on an objective basis, would be reasonably foreseeable at the time of entering into the relevant contract as a probable consequence of, and with a sufficiently close connection to, any breach by the Company of an agreement so as to be said to flow naturally and generally and not to be too remote, and will be compromised in accordance with the provisions of the Plan;

- 2.17.3.5.3. shall exclude all indirect, punitive, special, incidental, or consequential loss, including injury to business reputation, loss of profits and/or loss of business opportunities, save as is otherwise provided for in the relevant agreement, and will be compromised in accordance with the provisions of the Plan.
- 2.17.3.6. If this Business Rescue Plan is Adopted and a final Distribution is paid accordance with this Business Rescue Plan, all Claims will be Expunged in full.
- 2.17.3.7. For the avoidance of doubt, any past or prospective claim which SARS may have against the Company, among other things, under section 22(3) of the Value Added Tax Act 89 of 1991, or in respect of an audit under the Tax Administration Act 28 of 2011 for any year of assessment preceding the Substantial Implementation Date, or otherwise, will be Expunged under and in terms of this Business Rescue Plan. Any claim for VAT from SARS has been recognised as an Unsecured Creditor in the Business Rescue and will be entitled to the same cents in the Rand Distribution as all other Unsecured Creditors. Any other known SARS Claims will be treated as an Unsecured Creditor in this Business Rescue Plan. As a result of the Adoption of this Business Rescue Plan SARS will no longer be entitled to initiate and/or take any recovery steps to collect Tax debt compromised and/or Expunged pursuant to this Business Rescue Plan.
- 2.17.3.8. **This means that upon payment of a final Distribution in terms of this Business Rescue Plan, the remaining Claims will have been Expunged and no Creditor will be entitled to enforce the balance of its Claim, or any portion of its Claim, against the Company.**
- 2.17.3.9. After payment of the final Distribution, the Company may be returned to its Director(s) once a notice of substantial implementation has been filed with the CIPC, or an application may be made for the Company's deregistration, alternatively, the Company's provisional or final liquidation, as the BRPs in their sole discretion may determine.

- 2.17.4. Effect on Employees (Section 150(2)(c)(ii)) - Following the Adoption of the Business Rescue Plan, employees will continue to be employed on the same terms and conditions as they were prior to the commencement of Business Rescue. The implementation of the Business Rescue Plan is intended to facilitate the continued employment of employees critical to the successful completion of the Company's Projects and operational requirements. As the Business Rescue Plan is implemented, Projects are expected to be completed and the Company wound down and thereafter liquidated. The section 189A large scale retrenchment process in terms of the LRA, initiated by the Company in October 2020, will continue. The implementation of the Business Rescue Plan is expected to finalise and complete this section 189A process. The Business Rescue Plan intends to provide for the Company's ability to fulfil financial retrenchment financial obligations to all employees affected by the section 189A process.
- 2.17.5. Effect on Director(s) and Management - The Board has remained intact since the Commencement Date, and the Director(s) have continued to exercise the functions of a director, subject to the authority of the BRPs. Management continues to work with the BRPs as set out herein and is receiving their ordinary remuneration.
- 2.17.6. Effect on subsidiaries of CONCO Group- With the requisite support of PCF Lenders, the Company will provide direct or indirect financial assistance to its related and inter-related companies, which financial assistance may include without limitation the provision of loans, the issuance of guarantees (or other like instruments and/or Securities) and/or the subordination of claims owing to the Company by related or inter-related companies.

2.18. Binding nature of this Business Rescue Plan

- 2.18.1. The BRPs draw the attention of Affected Persons to the provisions of section 154(2) of the Companies Act.
- 2.18.2. This section provides that once a Business Rescue Plan has been Adopted, it is binding on the Company, its Creditors (including all Claims, whether accepted by the BRPs as Creditors, whether Disputed Creditors, conditional Claims, prospective Claims, damages Claims and/or unliquidated Claims) and every holder of the Company's Securities (the latter in terms of the provisions of section 146(d) and 152(3)(c) of the Companies Act) whether or not such a Person was –
- 2.18.2.1. present at the Meeting to determine the future of the Company;
- 2.18.2.2. voted in favour of the Adoption of the Business Rescue Plan; or

2.18.2.3. in the case of Creditors, has proven a Claim against the Company.

2.19. Moratorium (Section 150(2)(b)(i)):

- 2.19.1. The moratorium imposed by section 133 of the Companies Act prohibits any legal proceedings, including enforcement action, against the Company, or in relation to any property belonging to the Company or lawfully in its possession, from being commenced or proceeded with for the duration of the Business Rescue except with the written consent of the BRPs or with the leave of the High Court.
- 2.19.2. This means, among other things, that Affected Persons will not be able to proceed in any forum against the Company for, among other things, the non-payment of debts during Business Rescue, except with the written consent of the BRPs or with the leave of the High Court.
- 2.19.3. The moratorium in relation to the Company took effect on the Commencement Date and will remain in place until the termination of Business Rescue as defined in paragraph 2.23.

2.20. Benefits of Adopting the Business Rescue Plan compared to liquidation (Section 150(2)(b)(vi)):

- 2.20.1. Through the implementation of this Business Rescue Plan the BRPs, with the support of the PCF providers, intend to optimise the returns for Creditors by:
- 2.20.1.1. endeavouring to complete the net cash positive contracts of the Company;
 - 2.20.1.2. wherever possible avoiding an increase in the Company's obligations through the calling of bonds and/or guarantees, and/or the imposition of penalties and Claims against the Company (and/or its subsidiaries);
 - 2.20.1.3. supporting direct and indirect subsidiaries of the Company where there is a reasonable anticipation of a direct or indirect financial benefit to the Company; and
 - 2.20.1.4. closing the remaining portions of the Company in the most cost-effective manner.
- 2.20.2. With this, the Business Rescue of the Company is intended to meet the requirement of paragraph 2.6.1.3.2 above.

2.20.3. The financial benefits to Affected Persons of Adopting the Business Rescue Plan compared to a liquidation are as follows –

2.20.3.1. Liquidation Dividend –

2.20.3.1.1. the dividends that certain Creditors would probably have received in the alternative scenario of a liquidation of the Company as at the Commencement Date would be significantly lower than the Distributions that are anticipated to be received by those Creditors as a result of this Business Rescue Plan.

2.20.3.2. Timing –

2.20.3.2.1. typically a business rescue is anticipated be concluded in a far shorter time frame than a liquidation.

2.20.3.3. Employees –

2.20.3.3.1. Prior to the commencement of Business Rescue, the Company commenced a Section 189 process. Certain employees have been retrenched in accordance with this process before and since the commencement of Business Rescue. Employees who have remained employed after the Commencement Date have continued their employment with the Company on the same terms and conditions that existed before the Commencement Date.

2.20.3.3.2. In this regard it is noted that whilst the BRPs have tried to limit job losses wherever possible, the ongoing retrenchment processes are required given the Financial Distress of the Company and the inevitable winding down of the Company.

2.20.3.3.3. Whilst employees continue to be employed by the Company, they will be entitled to their salaries and other benefits.

2.20.3.3.4. If employees are retrenched, they will be entitled to their full retrenchment packages.

2.20.3.4. In a liquidation –

2.20.3.4.1. All jobs will be lost immediately unless the liquidator agrees to continue trading against an indemnity. In the current circumstances, it is highly

unlikely that a liquidator would agree to continue trading or that a liquidator would be indemnified against trading losses.

2.20.3.4.2. Employees would be entitled to receive a maximum amount of R28 000 per employee, to the extent that there are funds available, and would be treated as an Unsecured Creditor for any balance.

2.20.3.4.3. Employees will only receive payment once the final liquidation and distribution account has been approved at the end of the liquidation process.

2.20.3.5. SARS –

2.20.3.5.1. SARS ranks as an Unsecured Creditor under Business Rescue, whereas, under liquidation, SARS would rank as a Preferent Creditor. In a liquidation, the dividend to Unsecured Creditors would be reduced by the Claim of SARS.

2.20.3.6. Protecting an enhanced creditor dividend –

2.20.3.6.1. By continuing to complete existing Projects and by supporting direct and indirect subsidiaries where there is an anticipated benefit to the Company or Affected Persons, the BRPs anticipate being able to enhance the cash flows of the Company for the purpose of the Proposal. A liquidator would only consider continuing to trade if he/she received an indemnity to cover him/her for any losses in trading. Given the circumstances, it is highly unlikely that this would happen. As a result, the liquidator would in all likelihood proceed with a fire sale of the Company's assets, realising far lower values for the benefit of Creditors.

2.21. Risks of the Business Rescue Plan:

2.21.1. The implementation of the Proposal contained in this Business Rescue Plan is subject to factors potentially not known to the BRPs as at the Publication Date. The following risks should be borne in mind, as they may adversely impact the ultimate outcome of the implementation of this Business Rescue Plan:

2.21.1.1. General:

2.21.1.1.1. Unforeseen litigation of any nature whatsoever, howsoever arising, from any cause of action whatsoever.

- 2.21.1.1.2. Existing litigation not progressing in the manner anticipated.
- 2.21.1.1.3. Any changes in legislation that impact the Business Rescue.
- 2.21.1.1.4. Any challenges to this Business Rescue Plan, the rejection thereof or any amendments thereto.
- 2.21.1.1.5. Any regulatory challenges of any nature whatsoever, howsoever arising as well as any consequential statutory liability.
- 2.21.1.1.6. The ability to affect the flow funds between international jurisdictions and legal entities.
- 2.21.1.1.7. Any unforeseen circumstances, outside of the control of the BRPs, of any nature whatsoever, howsoever arising, that impact the Business Rescue.
- 2.21.1.1.8. Any damages or penalties claimed against the Company which cannot be compromised or were unforeseen.
- 2.21.1.1.9. The retrenchment processes taking longer than expected.
- 2.21.1.1.10. Any labour action arising as a result of the retrenchment process or Business Rescue.
- 2.21.1.1.11. The legal revocation of support from any Affected Persons and/or service providers.
- 2.21.1.1.12. Unexpected liquidity events, withdrawal or restricted access to PCF provided by the PCF Lenders or delays thereto.
- 2.21.1.1.13. The final verification and agreement of Claims taking longer than expected.
- 2.21.1.1.14. Material discrepancies in the information made available to the BRPs by Management.
- 2.21.1.1.15. Incomplete, inaccurate accounting records of the Company and inadequate supporting information.

- 2.21.1.1.16. The deterioration and worsening of market conditions, in particular in relation to the ongoing COVID-19 crisis.
 - 2.21.1.1.17. Any events and outcomes that may lead to the discovery of fraud, misrepresentation, corrupt practices, or other such matters relating to the Company prior to the implementation of the Business Rescue Plan.
 - 2.21.1.1.18. The variation in the exchange rates affecting the Business Rescue.
 - 2.21.1.1.19. Ambiguous provisions in the Companies Act which are subject to varied interpretation.
 - 2.21.1.1.20. Adverse judgements or rulings which may have the effect of reducing cash flow available for the Distributions, given that the estimated Distributions have been calculated on the basis that the Company's legal interests are preserved in terms of section 134(1)(c) of the Companies Act.
 - 2.21.1.1.21. COVID-19 related restrictions and delays and associated financial and/or other implications.
- 2.21.1.2. Projects:
- 2.21.1.2.1. Unforeseen damages Claims arising from the cancellation of any contracts or agreements of any nature.
 - 2.21.1.2.2. Crystallisation of financial guarantees resulting in Claims against the Company by the relevant guarantors.
 - 2.21.1.2.3. The Company's debtors, retention debtors and contract Claims not being realised or partially realised.
 - 2.21.1.2.4. Adverse operational performance on Projects that are identified to be completed.
- 2.21.1.3. Realisation of value from assets:
- 2.21.1.3.1. Delays in implementing the realization of assets identified for sale, whether because of protracted negotiations, regulatory consents required and/or implementation practicalities;

- 2.21.1.3.2. The expected realisation of assets identified for sale differing materially from the actual values realised; and
- 2.21.1.3.3. The asset registers differing materially from the actual assets on hand thus reducing the proceeds received on the sale of such assets.

PART C – ASSUMPTIONS AND CONDITIONS OF PROPOSAL

2.22. PCF:

- 2.22.1. The successful implementation of the Business Rescue Plan and the Proposal is subject to receipt of the full PCF referred to in this Business Rescue Plan to the extent required and within the timing considered appropriate by the BRPs.
- 2.22.2. The BRPs remain in constant communication with the relevant PCF Lenders in this regard.
- 2.22.3. The BRPs shall use their reasonable endeavours to procure the fulfilment of the required PCF drawdowns as soon as practically possible.
- 2.22.4. If the above-mentioned PCF is not provided timeously, or at all, or for any reason whatsoever the BRPs may be faced with little alternative but to apply to the High Court to terminate Business Rescue and commence liquidation proceedings.

2.23. Termination of Business Rescue (Section 150(2)(c)(iii)):

- 2.23.1. The Business Rescue will end:
 - 2.23.1.1. if the Business Rescue Plan is proposed and rejected, and no Affected Person/s or the BRPs act in any manner contemplated by the Companies Act to propose an amended Business Rescue Plan;
 - 2.23.1.2. if this Business Rescue Plan is Adopted and implemented and the BRPs have filed a notice of substantial implementation of the Business Rescue Plan with the CIPC;
 - 2.23.1.3. if the BRPs make application to the High Court to terminate the Business Rescue;
or
 - 2.23.1.4. if a High Court orders the conversion of the Business Rescue into a liquidation.
- 2.23.2. The realisable portion of material assets as listed in Annexure A will be utilised to fund the operations of the Company, costs of the Business Rescue, providing for any costs which may have to be incurred by the erstwhile BRPs after termination of the Business Rescue, providing for any costs as may be related to paragraph 2.6.2.4 and 2.6.2.5, and then to pay the Distributions to Creditors or reduce the requirement for PCF in terms of

this Business Rescue Plan, subject to any deductions provided for in this Business Rescue Plan.

2.24. Substantial Implementation (Section 150(2)(c)(i)(bb)):

2.24.1. Substantial Implementation will be deemed to have occurred upon the BRPs deciding, in their sole discretion, that the following has taken place:

2.24.1.1. the Projects identified for completion have reached a state of completion acceptable to the BRPs or alternative arrangements have been made for their completion or should they no longer be feasible to complete alternative decisions are made by the BRPs;

2.24.1.2. the assets identified for sale and other assets have been substantially realised;

2.24.1.3. final Distributions have been paid to Creditors and /or an appropriate mechanism has been put in place for the payment of any remaining Distributions to Creditors; and

2.24.1.4. all Business Rescue Costs relating to the Business Rescue have been paid and settled in full.

2.24.2. Notwithstanding the above, the Substantial Implementation of this Business Rescue will remain within the sole and reasonable discretion of the BRPs.

2.25. Projected Balance Sheet and Projected Income Statement (Section 150(2)(c)(iv)):

2.25.1. The projected balance sheet for the Company is not being provided as the Company will be wound down (whereby all assets are realised and liabilities -including Shareholder Claims- expunged) and the Company will be liquidated thereafter. The balance sheet on Substantial Implementation of this Business Rescue Plan will show zero net assets.

2.25.2. The projected statement of income and expenditure for the Company for ensuring the three years is included in Annexure D.

2.25.3. In compliance with section 150(3)(a) of the Companies Act, the projected statement of income and expenses in Annexure D was modelled on the assumptions set out in that annexure.

2.25.4. The Business Rescue Plan does not include alternative projections based on varying assumptions and contingencies.

3. CHAPTER 3 – ADMINISTRATIVE MATTERS

3.1. Preservation of Claims:

- 3.1.1. The liability of the Company's sureties for the Company's debts is not affected by this Business Rescue Plan.

3.2. Existing litigation or alternate dispute resolution proceedings:

- 3.2.1. Annexure E lists the matters already subject to a dispute resolution process as at the Publication Date.
- 3.2.2. Save as is otherwise provided for in this Business Rescue Plan and/or the Companies Act, all Affected Persons who have instituted legal proceedings, including any enforcement action, in respect of any Claims against the Company in any forum will be required to submit a Claim for consideration by the BRPs in accordance with the provisions of this Business Rescue Plan.
- 3.2.3. The BRPs shall be entitled to institute any proceedings against any Affected Person in any forum (and will not be subject to the Dispute Mechanism in paragraph 3.3 below) for any purpose, including, recovering money that is due to the Company or preventing Affected Persons from delaying the implementation of the Business Rescue Plan or bringing any application to liquidate the Company.

3.3. Dispute Mechanism:

- 3.3.1. Subject to paragraph 3.2 and save as provided for in section 133 of the Companies Act, the Disputed Claims of all Disputed Creditors must be resolved in accordance with the Dispute Mechanism outlined below, except where a prior agreement between the Company and the Disputed Creditor stipulates how a Disputed Claim must be resolved. Even in circumstances where an agreement stipulates how a Disputed Claim must be resolved, Disputed Creditors and the Company are encouraged, and may elect and agree in writing, to resolve Disputed Claims and the Company's counterclaims, if any, through the Dispute Mechanism.
- 3.3.2. The Dispute Mechanism procedure will be as follows –
- 3.3.2.1. All Disputed Creditors are to refer to Appendix F in relation to their claims and if not in agreement with the relevant quantum displayed, they are required to

contact the BRPs at br@concogrp.com within 30 days of the Meeting Date in order to register their disagreement. The claimant must endeavour to reach agreement with the BRPs on the Disputed Claim within the ensuing 15 days or such longer period as the BRPs may allow. If the Disputed Creditor does not avail itself of this opportunity within the time period allowed, then the Disputed Creditor shall be deemed to have abandoned its Claim and will not, in terms with section 154 of the Companies Act, be entitled to enforce, at a later date, any Claim that, that creditor believes it has against the Company;

3.3.3. Disputed Creditor -

- 3.3.3.1. If the Dispute Claim is not resolved, the BRPs will inform the Disputed Creditor accordingly and this will be known as the Rejection Date.
- 3.3.3.2. The Disputed Creditor will be afforded seven days from the Rejection Date to agree with the BRPs on a Calculation Expert to preside over the dispute, and which expert shall be a senior counsel with no less than 12 years' experience.
- 3.3.3.3. Should the Disputed Creditor and the BRPs be unable to agree on a Calculation Expert, then the matter may, within three days from the expiry of the aforementioned seven-day period, be referred by the Disputed Creditor to AFSA for the appointment of a Calculation Expert, and which expert shall be a senior counsel with no less than 12 years' experience. Should the Disputed Creditor fail to request AFSA to appoint a Calculation Expert, within the three-day period allowed, then the Disputed Creditor shall be deemed to have abandoned its Claim and will not thereafter be entitled to make such a request and will accordingly not, in terms with section 154 of the Companies Act, be able to enforce any Claim that, that creditor believes is owed to it by the Company.
- 3.3.3.4. To the extent that the Calculation Expert, as nominated, refuses to act or is not available to act, the Disputed Creditor must within three days of receiving notice of the Calculation Expert's refusal or unavailability, request AFSA to appoint an alternate Calculation Expert, and which expert shall be a senior counsel with no less than 12 years' experience, until one such Calculation Expert is available, and is agreeable to act. Should the Disputed Creditor fail to request AFSA to appoint an alternate Calculation Expert, within the three-day period allowed, then the Disputed Creditor shall be deemed to have abandoned its Claim and will not thereafter be entitled to make such a request and will accordingly not, in terms

with section 154 of the Companies Act, be able to enforce any Claim that, that creditor believes is owed to it by the Company;

3.3.3.5. Notwithstanding a Disputed Creditor's deemed abandonment as aforesaid of its Disputed Claims, the Company may continue to prosecute its claims and/or counterclaims, if any, and may accordingly nominate a senior counsel with no less than 12 years' experience as a Calculation Expert to decide the Company's claims;

3.3.3.6. The Calculation Expert when nominated and who agrees to accept such appointment shall –

3.3.3.6.1. act as an expert and not as an arbitrator;

3.3.3.6.2. investigate the disputed Claim/s or matter in such manner as he, in his sole discretion, considers appropriate acting reasonably;

3.3.3.6.3. call on the Disputed Creditor and the BRPs to make written representations in regard thereto and the party making such representations shall furnish a copy thereof to the other party;

3.3.3.6.1. be entitled to consult with either or both of the Disputed Creditor or the BRPs or with any other person and to take advice from any third party;

3.3.3.7. The Calculation Expert shall submit his determination together with the reasons therefore in writing to the BRPs and Disputed Creditor within 10 days of the date of his appointment, and such determination shall be final and binding on the Company and the Disputed Creditor, save in the event of a manifest error.

3.3.3.8. The costs and charges of the Calculation Expert shall be borne by the party which, in the sole discretion of the Calculation Expert is the appropriate party to bear such charges, provided that the Calculation Expert shall be entitled to direct that the costs and charges be borne by the Disputed Creditor or the BRP in such ratios as the Calculation Expert may determine.

3.3.3.9. The BRPs may in their sole and absolute discretion decide that certain Disputed Claims may be settled or compromised.

3.3.4. Should any monetary award be made against the Company, including a costs award, then that award will be treated as an Unsecured Claim in the Business Rescue.

3.3.5. Notwithstanding anything to the contrary in this paragraph 3.3 or elsewhere in the Business Rescue Plan, the BRPs shall not, in any circumstance, be obliged to prosecute, progress or further the Claim of any Creditor. The Company may, however, in the discretion of the BRPs continue to prosecute any one of more of its counterclaims.

3.4. Domicilium

3.4.1. The BRPs choose *domicilium citandi et executandi* ("**Domicilium**") for all purposes relating to the Business Rescue up until the Substantial Implementation Date, including the giving of any notice and the serving of any process, at the physical and e-mail addresses set out below:

3.4.1.1. Physical address: 1 Shale Avenue, N1 Business Park, intersection of Old Johannesburg Road and Tlokwa Street, Kosmosdal, Centurion, Gauteng 0157, South Africa

3.4.1.2. E-mail address: br@concogrp.com

3.4.1.3. Attention: Petrus van den Steen and Martin Liebenberg

3.4.2. The BRPs shall be entitled up until the Substantial Implementation Date, by giving written notice to Affected Persons, to vary their physical Domicilium to any other physical address (not being a post office box or poste restante) and to vary his e-mail Domicilium to any other e-mail address.

3.4.3. Any notice given or process served by any Affected Person to the BRPs, which is delivered by hand between the hours of 09h00 and 17h00 on any Business Day to the BRPs' physical Domicilium for the time being, shall be deemed (unless the contrary is proved by the BRPs) to have been received by the BRPs at the time of delivery.

3.4.4. Any notice given or process served by any Affected Person to the BRPs, which is transmitted by e-mail to the BRPs' e-mail Domicilium for the time being, shall be deemed (unless the contrary is proved by the BRPs) to have been received by the BRPs on the Business Day immediately succeeding the date of successful transmission thereof.

3.4.5. Any notice or process in terms of, or in connection with, this Business Rescue Plan shall be valid and effective only if in writing and if received or deemed to have been received by the BRPs.

3.4.6. For the avoidance of doubt, it is recorded that –

- 3.4.6.1. following the Substantial Implementation Date, the Business Rescue of the Company would have terminated; and
- 3.4.6.2. no notice or process served in terms of this paragraph shall be taken into consideration by the BRPs (unless they in their sole discretion choose to consider such notice or process) on or after the Substantial Implementation Date.

3.5. Ability to amend the Business Rescue Plan

3.5.1. The BRPs may, in their sole and absolute discretion, amend, modify, or vary any provision of this Business Rescue Plan after it has been Adopted, provided that –

- 3.5.1.1. any such amendment, modification or variation will not be materially prejudicial to any Affected Person;
- 3.5.1.2. In the event that such amendment is materially prejudicial to any Affected Person, such amendment, modification or variation will require approval by the relevant Affected Person/s, as the case may be, in terms of paragraph 3.5.2 and upon such approval, the amendment will be binding on all Affected Persons; and
- 3.5.1.3. at all times, the BRPs act reasonably.

3.5.2. For purposes of this paragraph 3.5, "materially prejudicial" is an outcome that results in an aggregate Distribution to Creditors that would be materially less than the estimated liquidation dividend set out in the Table 4.

3.5.3. If the amendment, modification, or variation is materially prejudicial to –

- 3.5.3.1. one or more Affected Persons (but not to all Affected Persons), the BRPs will be required to procure the consent in writing for such amendment, modification or variation of only those Affected Person/s to whom such amendment, modification or variation is materially prejudicial;
- 3.5.3.2. all Affected Persons, the BRPs will be required to procure the approval of all Affected Person/s for such amendment, modification, or variation and for purposes of approving such amendment, modification or variation, the same voting

thresholds as are required for Adoption of the Business Rescue Plan will be applicable.

- 3.5.4. The amendment, modification or variation will be deemed to take effect on approval by Affected Persons, whereafter a written notice of the amendment, modification, or variation will be provided to Affected Persons.
- 3.5.5. It is specifically recorded that the provisions of this section shall, *mutatis mutandis*, apply to the extension or reduction of any timeframes referred to in this Business Rescue Plan by the BRPs.

3.6. Severability

- 3.6.1. Each provision of this Business Rescue Plan is, notwithstanding the grammatical relationship between that provision and the other provisions of this Business Rescue Plan, severable from the other provisions of this Business Rescue Plan.
- 3.6.2. Any provision of this Business Rescue Plan, which is or becomes invalid, unenforceable, or unlawful in any jurisdiction shall, in such jurisdiction only, be treated as *pro non scripto* to the extent that it is so invalid, unenforceable, or unlawful, without invalidating or affecting the remaining provisions of this Business Rescue Plan which shall remain of full force and effect.
- 3.6.3. The BRPs declare that it is their intention that this Business Rescue Plan would be executed without such invalid, unenforceable or unlawful provision if they were aware of such invalidity, unenforceability, or unlawfulness at the time of execution of this Business Rescue Plan.

4. CHAPTER 4 – CONCLUSION AND BRPS' CERTIFICATES

4.1. Conclusion:

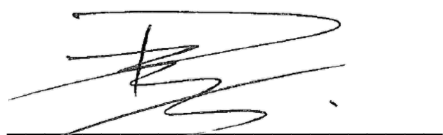
For the reasons set out above it is the view of the BRPs, notwithstanding the risks and challenges inherent in this Business Rescue Plan, that:

- 4.1.1. there is a reasonable prospect of a successful Business Rescue, that balances the rights and interests of all relevant stakeholders and Affected Persons, in accordance with the objectives of Chapter 6 of the Companies Act;
- 4.1.2. regrettably, the solvency and liquidity of the Company cannot be restored. However, a better return for Creditors, than if the Company had immediately been liquidated as at the date of the commencement of Business Rescue, is reasonably expected to be achieved;
- 4.1.3. the aggregate Distribution is likely to result in certain Creditors receiving a higher dividend in the Business Rescue than they would probably receive on a liquidation of the Company; and
- 4.1.4. should the Business Rescue Plan not be Adopted, the BRPs are of the view that the Business Rescue will have to be converted to liquidation proceedings immediately.

4.2. BRPs' certificates:

We, the undersigned, hereby certify that to the best of our knowledge and belief:

- 4.2.1. any information provided herein appears to be reasonably accurate, complete, and up to date;
- 4.2.2. we have relied on financial information including opinions and reports furnished to us by the Board and Management;
- 4.2.3. any projections provided are reasonable estimates made in good faith based on factual information and assumptions as set out herein;
- 4.2.4. in preparing the Business Rescue Plan, we have not undertaken an audit of the information provided to us, although where practical, we have endeavoured to satisfy ourselves of the accuracy of such information.



Petrus Francois van den Steen



Martin Du Toit Liebenberg

ANNEXURE A - LIST OF MATERIAL ASSETS AND SECURITY OF THE COMPANY

Material Assets	31-Oct-20
	R'000
Non-current assets	
Property plant and equipment	16 894
Plant and machinery	7 594
Furniture and fittings	538
Motor vehicles	3 282
Office equipment	464
IT equipment	25
Leasehold improvements	4 992
Right of Use Assets	22 508
Land and buildings ROU	22 508
Investments in subsidiaries	363 743
Total Non-current assets	403 145
Current assets	
Loans to group accounts	2 199 118
Current tax receivable	11 353
Contract debtors	110 373
Work in progress from contract customers	88 447
Trade and other receivables	59 669
Trade receivables - Internal	37 285
Trade payables in debit	136
Prepayments	2 334
Deposits	270
VAT receivable	10 346
Other receivables	9 298
Cash and cash equivalents	11 649
Conco Cash	10 456
Petty Cash	1 193
Total Current assets	2 480 608
Total assets	2 883 753

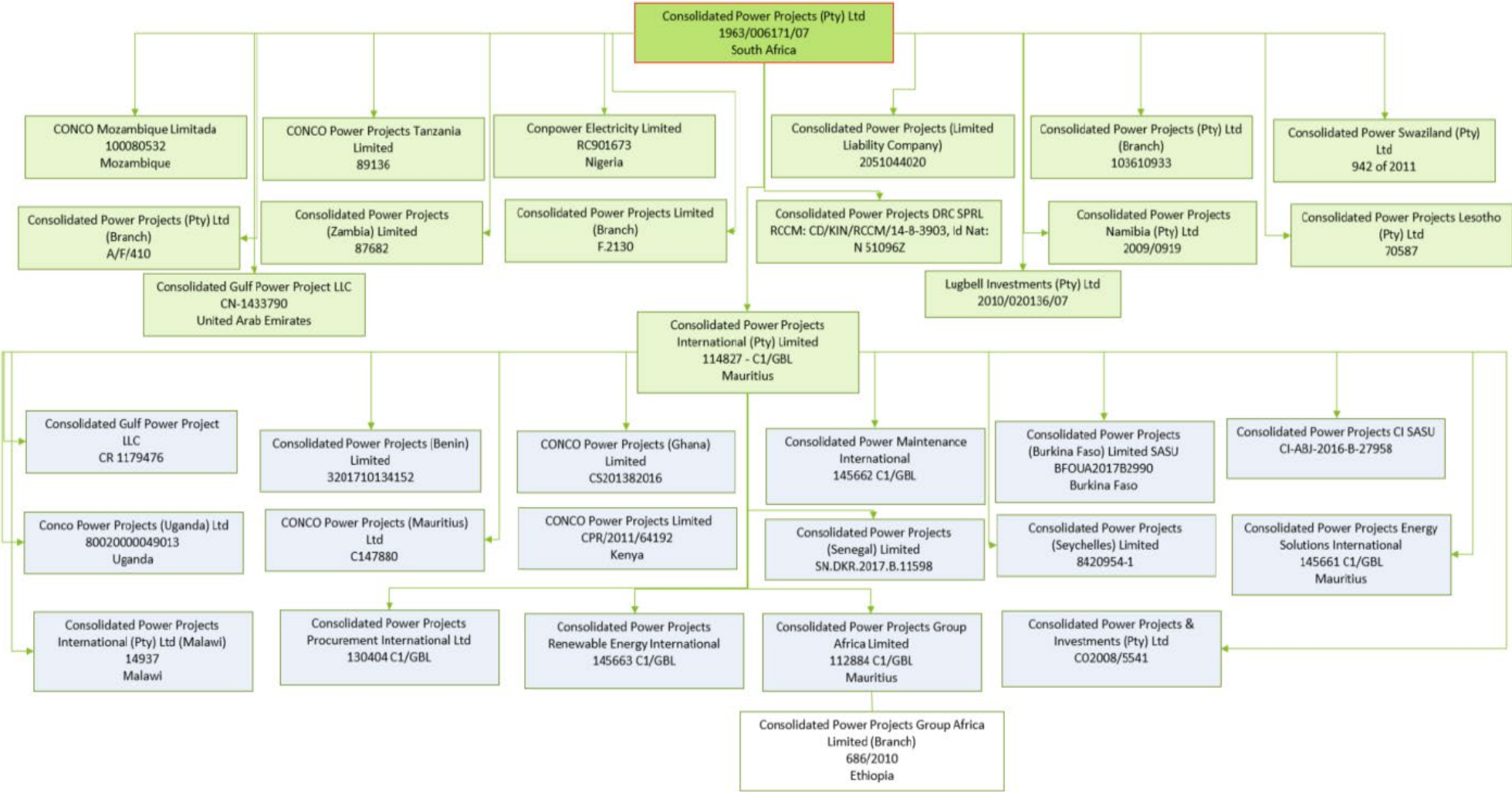
The above list of Assets is the pre-Business Rescue book values at 31 October 2020. The realisable value of the assets as determined by Deloitte in the Liquidation Estimated Outcome Statement amount to approximately R64,104m.

If any Affected Persons requires a complete list of all material assets of the Company, such Affected Persons may request such list from the BRPs.

Debtors and cash balances are encumbered in favour of SBSA and SCB in accordance with the Common Terms Agreement dated 6 May 2016.

Source: The Company's management accounts dated 31 October 2020.

ANNEXURE B – GROUP STRUCTURE



Source: The Company's Organogram updated as of 15/02/2021.

ANNEXURE C – KEY ASPECTS OF THE PROPOSAL

1. To date, approximately R157m of PCF has been secured from PCF Lenders to provide operational solvency during the Business Rescue. The BRPs are continuing to engage with PCF Lenders to provide further PCF in terms of a facility of up to approximately R305m in total PCF.
2. The Company is continuing to endeavour to bring selected construction Projects to a stage of final completion where there is a direct benefit to the Company and its Affected Persons.
3. The Company has been and will be providing direct or indirect financial assistance to its related and inter-related companies where deemed appropriate, which financial assistance may include without limitation the provision of loans, the issuance of guarantees (or other like instruments and/or Securities) and/or the subordination of claims owing to the Company by related or inter-related companies.
4. Wherever possible, subsidiaries and operating divisions of the Company have been or will be restructured to optimise operational efficiency and minimise costs.
5. Ultimately, the Business Rescue contemplates a controlled wind-down, wind-up and/or deregistration of the relevant subsidiaries and operating divisions, including the head office of the Company.
6. It is assumed that the banking facilities currently available to the Company and its direct subsidiaries and related companies will continue to be made available to enable trading during Business Rescue.
7. All other assets have been or are being realised and claims against counterparties have been or are being vigorously pursued.
8. It is assumed that trade debtors will continue to pay debts in the ordinary course of business.
9. Costs are being and will continue to be aggressively managed and reduced in accordance with the diminishing needs of the Company.
10. The net effect of the Business Rescue will be the realisation of better Distributions to the Creditor body than would have been the case if the Company had been immediately liquidated.

ANNEXURE D – PROJECTED BALANCE SHEET AND PROJECTED INCOME STATEMENT

BALANCE SHEET:

The projected balance sheet for the Company is not being provided as the Company will be wound down (with all assets realised and liabilities (including Shareholder Claims) Expunged). The result of this will be a R0 net asset value.

STATEMENT OF INCOME AND EXPENSES FOR THE ENSUING THREE YEARS:

CPP FORECAST STATEMENT OF INCOME AND EXPENSES			
	Year Ended February '22	Year Ended February '23	Year Ended February '24
<u>INCOME</u>			
Contracted Sales	168 520 438	-	-
Asset Sales	20 000 000	-	-
Total income	188 520 438	-	-
<u>EXPENSES</u>			
Direct Project Costs	-114 506 873	-1 041 424	-
Overheads			
General overheads	-7 027 323	-15 433 628	-
Legal / consulting	-10 970 000	-6 775 000	-
Restructuring costs	-31 171 132	-12 000 000	-
Employee costs	-28 794 149	-8 330 367	-
Total Expenses	-192 469 477	-43 580 419	-
NET INCOME AND EXPENSES	-3 949 039	-43 580 419	-

Material Assumptions:

1. The revenue and expenses statement has been prepared on a cash-basis of accounting where cash receipts and payments are recorded when actually received or paid.
2. The Company brings those Projects to the stage of final completion in circumstances where there is a direct benefit to the Company and its Affected Persons.

3. The Company is providing direct or indirect financial assistance to its related and inter-related companies where deemed appropriate, which financial assistance may include without limitation the provision of loans, the issuance of guarantees (or other like instruments and/or Securities) and/or the subordination of claims owing to the Company by related or inter-related companies.
4. The Company winds down the remaining portions of the Company in the most cost-effective manner and thereafter liquidates the Company.

Source: The Company's latest Cash Flow Forecast prepared on 22 February 2021.

ANNEXURE E – EXISTING LITIGATION AND ALTERNATIVE DISPUTE PROCEEDINGS

Plaintiff/ Defendant/ Applicant/ Respondent	Description	Status	Quantum
Defendant Electro Inductive Industries (Pty) Ltd	Arbitration claim for defective transformers supplied to Amakhala wind farm.	EII was put into Business Rescue and subsequently into liquidation. Claim has been submitted to liquidators	R59,888,496
Defendant Eskom	Arbitration claim against Eskom on Borutho Witkop Project for outstanding payment of R6 729 515.58	Matter has been referred to arbitration.	R6 729 515
Defendant Eskom	Arbitration claim against Eskom on Medupi Borutho Section B Project for disputed delay claims.	Matter has been referred to arbitration.	R50 000 000
Defendant Rural Electrification Agency Uganda	Claim for outstanding payments with respect to balance of contract price for works completed.	In country lawyers appointed to issue demand for payment and recovery. Matter has been referred to the High Court in Uganda.	Ugandan shillings 411,426,898; US\$138,836 € 104,978.00
Defendant Robor Pty Ltd	Claim against Robor (in liquidation) for payment in terms of a settlement agreement.	Robor has failed to pay the amount due under the settlement agreement and is now in liquidation.	R5 000 000
Defendant Maluleke Luthuli Development Planners (Pty) Ltd	Claim against Maluleke Luthuli Development Planners Pty Ltd for non-payment for services on the New Trade Route and New Lehae projects.	The Company to deliver a declaration. Matter placed on hold due to COVID-19 restrictions.	R24,249,015

Source: The Company's litigation register updated as of 17/02/2021

ANNEXURE F - AMENDED LIST OF THE CREDITORS OF THE COMPANY
(ATTACHED SEPARATELY)

ANNEXURE G – PROXY FORM

For use by the Creditors at a meeting convened in terms of Section 151 of the Companies Act to be held electronically via a video-conferencing platform on Friday, **12 March 2021** at 10h00 (“**Meeting**”) or at any subsequent adjournment of the meeting.

I/We _____ do hereby appoint:

i. _____; or failing him/her

ii. _____; or failing him/her

iii. the BRP, who acts as Chairman of the meeting,

as my/our proxy to act for me/us and on my/our behalf at the Meeting which will be held for the purpose of considering and, if deemed fit, voting: (indicate with an X)

1. To direct the BRPs to adjourn the meeting in order to revise the Business Rescue Plan for further consideration:

In Favour ____ Against ____

2. Approval of the proposed Business Rescue Plan, with or without modification:

In Favour ____ Against ____

SIGNED at _____ on this _____ day of _____ 2021.

SIGNATURE

Power of Attorney / Authorising Resolution attached (where applicable)

NOTES:

1. A Creditor may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided, with or without deleting "the Chairman of the meeting". The person whose name stands first on the form of proxy and who is present at the Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. The form of proxy must either be:
 - i. Delivered and lodged at 1 Shale Avenue, N1 Business Park, intersection of Old Johannesburg Road and Tlokwa Street, Kosmosdal, Centurion, Gauteng 0157, to be received by not later than 17h00 on Wednesday, **10 March 2021**, two days prior to the meeting; or
 - ii. emailed to br@concogrp.com by not later than 17h00 on Thursday, **11 March 2021**.
3. The completion and lodging of this form of proxy will not preclude the relevant Creditor from attending the Meeting and speaking and voting in person thereat to the exclusion of the proxy appointed in terms thereof, should such Creditor wish to do so.
4. Capitalized words not otherwise defined in this proxy form shall have the meaning ascribed to them in the Business Rescue Plan.
5. If this proxy is signed under power of attorney or on behalf of a company, such authority (i.e. power of attorney (for an individual) or authorising resolution (for a juristic person), as applicable) must accompany it.

ANNEXURE H – BRPS' REMUNERATION AGREEMENT
(ATTACHED SEPARATELY)