

- Delivered by Email To:**
- All known Shareholders of Tongaat Hulett Limited (in business rescue)
 - Companies and Intellectual Property Commission
- Displayed:**
- Registered office and principal place of business of the Company
- Published:**
- On the website maintained by the Company and accessible by Affected Persons
 - Details published as an announcement on the Stock Exchange News Service (SENS) offered by the Johannesburg Stock Exchange Limited.
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07 December 2022

NOTICE TO ALL KNOWN SHAREHOLDERS ("Shareholders") OF TONGAAT HULETT LIMITED (IN BUSINESS RESCUE) ("Company")

1. ADDITIONAL INFORMATION AND UPDATE NOTICE IN RESPECT OF THE BUSINESS RESCUE PROCEEDINGS OF THE COMPANY IN TERMS OF SECTION 143(3) OF THE COMPANIES ACT 71 OF 2008, AS AMENDED

- 1.1. Shareholders are referred to the Notice to Shareholders of the Company, pursuant to the provisions of Sections 143(3) of the Companies Act 71 of 2008 ("**Companies Act**"), dated 04 December 2022 ("**Initial Notice**").
- 1.2. This Notice serves to provide Shareholders with additional information with regard to the provisions contained in the Initial Notice regarding the virtual meeting of Shareholders to be convened by the BRPs for the purpose of procuring a vote in terms of section 143(3)(b) of the Companies Act ("**Meeting**").
- 1.3. Shareholders are reminded of the virtual Meeting details, as per the below:

Date: Friday 09 December 2022
Time: 11h00 – 12h00
Meeting Type: Microsoft Teams Live Event

To join the Virtual Microsoft Teams Live Event, **please click the link below:**

https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZjAyZDFkNGItNDcwYy00NGUzLWFhNDgtNDVjMTUwM2Y1ODA3%40thread.v2/0?context=%7B%22tid%22%3A%22b7d38a71-93f8-44d1-adfa-3667a718fc4c%22%2C%22oid%22%3A%229326ff71-8597-4a3a-b2db-278dc43374a4%22%2C%22IsBroadcastMeeting%22%3Atrue%2C%22role%22%3A%22a%22%7D&btype=a&role=a

1.4. A summary of the BRPs Remuneration Agreement is included herein as “**Annexure A**” and is further available on the Company’s website at: www.tongaat.com, under the ‘Business Rescue’ tab.

2. Voting in terms of section 143(3)(b) of the Companies Act

2.1. **Please note the amendment to the time and date deadline regarding Shareholders submission of votes and forms of proxy**, in respect of the vote in terms of section 143(3)(b). The Initial Notice currently available under the ‘Business Rescue’ tab on Company’s website, will be updated with this amendment and accessible within 24 hours of the distribution of this Notice.

2.2. As advised in the Initial Notice, Shareholders present at the Meeting, will be entitled to submit their vote for, against or to abstain from voting, with regard to their support of the BRPs Remuneration Agreement, when the BRPs submit their request for votes to be cast, to those Shareholders present and voting at the Meeting.

2.3. Voting will be conducted by way of the interactive Q&A chat box panel in the virtual Meeting or by way of email.

2.4. Shareholders present and voting at the Meeting may cast their votes by:

2.4.1. typing it into the Q&A chat box panel in the virtual Meeting, or

2.4.2. by emailing it to the BRPs email address at: BR@tongaat.com, and which email may be received by the Company at any time before or during the Meeting but must be received by the Company **prior to the closure of the Meeting**.

2.5. Voting by proxy is also permitted. We have included a proxy form herein, marked as “**Annexure B**” for the purpose of nominating a person to vote on your behalf at the Meeting and submitting your vote by proxy.

2.6. If a Shareholder chooses to vote by proxy, they must submit their proxy form to the BRPs at the business rescue email address aforesaid, and which email may be received by the Company before or at any time during the Meeting but must be received by the Company **prior to the closure of the Meeting**.

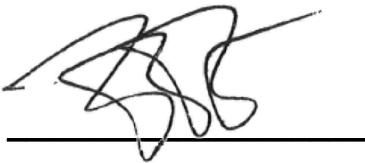
2.7. Proxy forms in this regard are also available to download off the Company’s website, under the ‘Business Rescue’ tab at: <https://www.tongaat.com/business-rescue/>.

2.8. The BRPs will determine the outcome of their request for Shareholders’ approval of their Remuneration Agreement, based on the votes submitted by Shareholders or their Proxy’s, present and voting at the Meeting. Thereafter, a Notice to Affected Persons regarding the outcome of this vote will be distributed to all Affected Persons

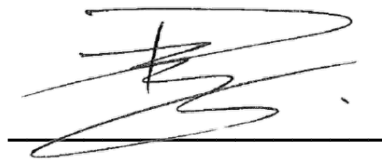
3. CLOSING REMARKS

- 3.1. Please note that, although you have been invited to this Meeting, nothing in this letter shall be construed to be an admission of your status as a Shareholder of the Company, which status will be determined by the BRPs in the course of the business rescue proceedings.
- 3.2. Shareholders are reminded that all notices and documents regarding the business rescue proceedings of the Company that have been and/or will be circulated to all known Affected Persons, are/will be published and made available to all Affected Persons, on the Company's website, under the 'Business Rescue' tab at: <https://www.tongaat.com/business-rescue/>.
- 3.3. If you have any queries in this regard, they may be directed to the business rescue email address at: BR@tongaat.com.

Yours faithfully,



TJ Murgatroyd



PF van den Steen



GC Albertyn

The Joint Business Rescue Practitioners of Tongaat Hulett Limited (in business Rescue)



TONGAAT HULETT LIMITED (in business Rescue)

BUSINESS RESCUE PRACTITIONERS' REMUNERATION AGREEMENT AS CONTEMPLATED IN SECTION 143 OF THE COMPANIES ACT 71 OF 2008, AS AMENDED

SUMMARY OF AGREEMENT

December 2022

1. BACKGROUND

- 1.1. On 27 October 2022 ("**Commencement Date**"), the board of Tongaat Hulett Limited (in business rescue) ("**Company**") resolved that the Company would voluntarily commence business rescue proceedings, and appointed Trevor Murgatroyd ("**Murgatroyd**"), Peter van den Steen ("**van den Steen**") and Gerhard Albertyn ("**Albertyn**") as the joint Business Rescue Practitioners ("**BRPs**") of the Company.
- 1.2. The BRPs and the Company subsequently negotiated and settled a remuneration agreement ("**Remuneration Agreement**"), as contemplated in section 143(2) of the Companies Act 71 of 2008, as amended ("**Companies Act**").
- 1.3. The regulations to the Companies Act prescribe an hourly tariff (inclusive of VAT), for the payment of the fees of a business rescue practitioner.
- 1.4. 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. BRPS REMUNERATION

- 2.1. In terms of section 143(2) of the Companies Act, the BRPs are entitled to propose an agreement with the Company providing for further remuneration. The BRPs have reached agreement with the Company, which agreement now requires the approval of creditors and of shareholders.
- 2.2. The remuneration payable by the Company to the BRPs in terms of the Remuneration Agreement shall comprise:
 - 2.2.1. the tariff as specified in the Companies Regulations; and
 - 2.2.2. the further remuneration as contemplated in the Remuneration Agreement.

2.3. In addition to the BRPs' remuneration, the Company shall reimburse the BRPs for any reasonable costs, expenses and disbursements incurred by either of them in the discharge of their duties and responsibilities such as:

2.3.1. travelling costs and expenses;

2.3.2. accommodation costs and expenses; and

2.3.3. any other costs and expenses reasonably incurred by the BRPs to the extent required in order for the BRPs to discharge their duties and responsibilities.

3. BASIC REMUNERATION

3.1. In terms regulation 128(1)(c) of the Companies Act, a senior business rescue practitioner appointed for a large company is entitled to charge an amount of R2 000.00 per hour inclusive of VAT (R1 739.13 excluding VAT).

3.2. In accordance with section 143 of the Companies Act, the BRPs will charge the following hourly rates ("**Tariff Fees**"):

3.2.1. Murgatroyd an amount of R1 739.13 excluding VAT (R2 000 including VAT);

3.2.2. van den Steen an amount of R1 739.13 excluding VAT (R2 000 including VAT); and

3.2.3. Albertyn an amount of R1 739.13 excluding VAT (R2 000 including VAT).

3.3. The Company recognizes that the hourly rate prescribed by the tariff in the regulations (as determined during the drafting of the Companies Act in 2008) is not market related and does not cater for annual inflationary escalations. Accordingly, the Company concluded a Remuneration Agreement with the BRPs in terms of which the Company agreed that the following additional remuneration will be paid to the BRPs effective from the business rescue Commencement Date ("**Further Remuneration**"):

3.3.1. Murgatroyd an additional amount of R2 660.87 (excluding VAT) per hour;

3.3.2. van den Steen an additional amount of R2 660.87 (excluding VAT) per hour; and

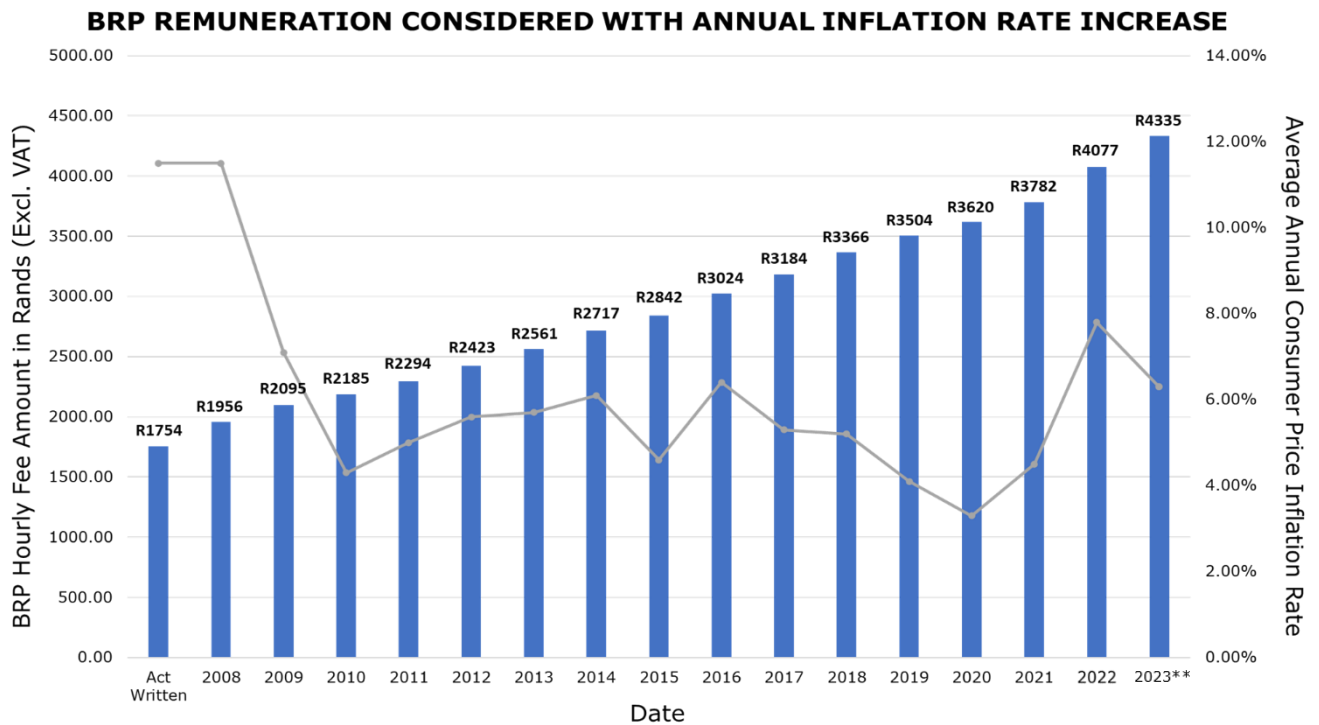
3.3.3. Albertyn an additional amount of R1 210.87 (excluding VAT) per hour.

3.4. The aggregate of the Tariff Fees and the Further Remuneration is thus contemplated as the BRPs Basic Remuneration, as set out below:

- 3.4.1. Murgatroyd a Basic Remuneration of R4 400.00 (excluding VAT) per hour;
- 3.4.2. van den Steen a Basic Remuneration of R4 400.00 (excluding VAT) per hour; and
- 3.4.3. Albertyn a Basic Remuneration of R2 950.00 (excluding VAT) per hour.

4. INFLATIONARY ESCALATIONS

4.1. The graph below illustrates how the regulated fee of R1 754.39 per hour, exclusive of VAT- which equated to R2 000.00 per hour inclusive of VAT in 2008 (14% VAT from 2008 – March 2018 and 15% VAT from April 2018 onwards), would have increased, year-on-year, based on the average annual consumer price inflation percentage rate*.



*Average annual consumer price inflation rate data was sourced from the statistical releases published by Stats SA and available to view and download on the Stats SA website.
 **The average annual consumer price inflation rate used for 2023 is based on analysts' current econometric models & forecast expectations.

4.2. The graph above demonstrates that the equivalent of the 2008 fee of R1 754.36 (excl. VAT) per hour, is forecast to be c.R4 335.00 per hour (ex. VAT) in 2023 (values based on average annual consumer price inflation escalations and analysts' current forecast expectations).

5. CONCLUSION

5.1. In order for the Remuneration Agreement to be final and binding on the Company, it requires the support of:

- 5.1.1. The holders of a majority of the creditors' voting interests present and voting at a meeting called for the purpose of considering the proposed Remuneration Agreement; and
 - 5.1.2. The holders of a majority of the voting rights attached to any shares of the Company that entitle the shareholder/s to a portion of the residual value of the Company on winding-up, present and voting at a meeting called for the purpose of considering the proposed Remuneration Agreement.
- 5.2. It is the opinion of the Company and the BRPs that the Remuneration Agreement concluded between the parties is fair and reasonable and should be considered favourably by the creditors and shareholders of the Company.
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TONGAAT HULETT LIMITED (in business rescue)

PROXY FORM

For use by the **Shareholders** of Tongaat Hulett Limited (in business rescue) ("**Company**"), for the purposes of voting on the business rescue practitioners request for approval of their Remuneration Agreement, in terms of Section 143(3) of the Companies Act 71 of 2008, as amended ("**Companies Act**"), at the vote to be conducted at a meeting of the Shareholders of the Company, convened for the purposes of procuring this vote, to be held virtually as a Microsoft Teams Live Event on **09 December 2022** and/or any postponement thereof ("**Meeting**").

NAME OF SHAREHOLDER: _____

I / We, being a Shareholder of the Company, do hereby nominate, constitute and appoint:

- i. _____ or failing him / her;
- ii. _____ or failing him / her;
- iii. Any one of the business rescue practitioners ("**BRPs**").

as my / our proxy to attend and act for me / us and on my / our behalf at the Meeting to be held for the purpose of Shareholder's consideration of the proposed Remuneration Agreement concluded between the Company and the BRPs of the Company and for the purpose of procuring a vote from Shareholders of the Company, in terms of section 143(3)(b) of the Act, and to vote in accordance with my / our instructions as set out in the table below (mark the appropriate block with an 'x'):

| VOTE IN FAVOUR | VOTE AGAINST | ABSTAIN FROM VOTING |
|----------------|--------------|---------------------|
| | | |

SIGNED at _____ **on this** _____ **day of** _____ **2022**

SIGNATURE/S

NAME/S

Who warrants that he is/she is/they are duly authorised thereto

NOTES ON THIS PROXY FORM:

1. A Shareholder 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 "any one of the business rescue practitioners". The person whose name stands first on the form of proxy and who is present and voting at the Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. The form of proxy may be emailed to the Company's business rescue email address: BR@tongaat.com, and may be received by the Company before or at any time during the Meeting but must be received by the Company **prior to closure of the Meeting**.
3. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from virtually attending and participating in the Meeting and voting thereat, to the exclusion of the proxy appointed in terms thereof, should such Shareholder wish to do so.
4. If this proxy is signed under power of attorney or by a representative on behalf of a company, close corporation or trust, it must be accompanied by an appropriate power of attorney (for an individual) or authorising resolution/letter (for a juristic person) - as is applicable - giving such representative the authority to act as proxy and vote at the Meeting.