

29 October 2021

**Calandria 182 (PTY) LTD**  
**T/A BUILDERS DISCOUNT**  
**MICA PAINT & HARDWARE**

**Reg. Number: 2016/539749/07**

**(Under Supervision)**

# Proposed Business Rescue Plan in terms of Section 150 of the Companies Act 71 of 2008

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8.1.9. The Business Rescue Practitioners undertakes that Calandria shall ensure that all tax obligations (including the filing of returns and payment of outstanding taxes) will be met until proceedings have been terminated on any ground listed in terms of section 132 of the Companies Act of 2008. Any deviation from this undertaking shall constitute a material breach of the provisions of this Business Rescue Plan and proceedings will in such instance be deemed to have terminated. The full original claim outstanding to Creditors or remainder of such claim shall be payable. .... 18

8.1.10. VAT liability arising as a result of a compromise of debts in terms of this plan is not subject to compromise and is payable in full. Provision for any VAT liability triggered in terms of section 22 of the VAT Act 89 of 1991 will be set-off against Calandria assessed Tax Loss. .... 19

8.1.11. For so long as the company complies fully with its obligations to creditors, creditors who hold suretyships from the director and/or members of the company will not enforce the suretyships. However, in the event of a breach of the business rescue plan by the company, or in the event that the company is placed into a winding up, creditors who hold such suretyships shall be entitled to immediately enforce the suretyships in respect of the full balance of the creditors' original claim/s against the company that remains outstanding. (Provided only that no such provision be ultra-virus.) ..... 19

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## Summary

This is a Business Rescue Plan for the Calandria CONSTRUCTION SOUTH CAPE CC (hereinafter collectively referred to as "Calandria").

Calandria commenced Business Rescue Proceedings on account of financial distress. This Business Rescue Plan has been prepared by the Business Rescue Practitioners for consideration and possible adoption by holders of voting interest in Calandria and was prepared in good faith in the course of the execution of the powers and duties of the Business Rescue Practitioners.

Calandria is operating businesses in Modimolle

### 1. Company Particulars

<b>Name:</b>	CALANDRIA 182 (PTY) LTD (Under Supervision) t/a Builders Discount Mica Paint & Hardware
<b>Registration number:</b>	2016/539749/07
<b>Registered address:</b>	27 NELSON MANDELA DRIVE MODIMOLLE LIMPOPO
<b>Directors:</b>	JUAN MARITZ - ID NR: 881126 5027 088 NICOLA VAN HOOGDALÉM - ID NR.: 990305 0058 086
<b>Shareholders:</b>	Juan Christopher Maritz and Nicola van Hoogdalem

## **2. Disclaimer**

This Business Rescue Plan is strictly private and confidential and must not be distributed to any person or persons other than the intended recipient(s) thereof without the express permission of Calandria or the Business Rescue Practitioners.

This Business Rescue Plan is formulated based on information obtained from books, records and other documentation recovered from Calandria, Management as well as interviews with relevant persons.

The contents of this document are based on qualitative comments providing an indicative assessment of the current operational status of Calandria and its potential to recover from its current distressed position. All quantitative comments are based on published information wherever possible. Where published reliable data was not available, qualitative comments were made based on analysis of available data, which may or may not reflect the true state of affairs. The operational and financial studies have been conducted based on internally available information provided by Calandria and supported by data collected through various sources. Since the practitioner has not conducted primary research, he has not independently verified the accuracy/completeness or the reasonableness of the information provided and accordingly, any possible inaccuracies in, and omissions of information available and/or provided will affect the final deliverable.

The practitioner's investigations have been limited by time constraints imposed by the Companies Act 71 of 2008 (hereinafter referred to as "the Act") and the effect of the Covid Pandemic. It is normal for the practitioner's report to Creditors to not form conclusive views in relation to all areas of investigation. Should liquidators be appointed to Calandria, the liquidators will continue those investigations should there be a perceived benefit to Creditors.

It is emphasised that the practitioner's approach and procedures applied for the collection and collation of related information did not constitute an audit or an independent review as contemplated in the International Standards on Auditing and, accordingly, the practitioner has not expressed an audit or a review opinion. Unless expressly stated, the practitioner has not had the opportunity to verify information provided by Calandria, its

members or representatives.

The statements and opinions in this Business Rescue Plan are given in good faith and in the belief that such statements and opinions are not false or misleading.

Except where otherwise stated, the practitioner reserves the right to alter any conclusions reached on the basis of any changes in or additional information which may become available to him between the date of this Business Rescue Plan and the date of any subsequent meetings or reports.

The practitioner has made the necessary forecasts based on valuations with respect to asset realisations and the quantum of total Creditors based on information available at the time. These forecasts and estimates may change as asset realisations progress and claims are received by Creditors. Whilst the forecasts and estimates are the result of the practitioner's best assessment in the circumstances, it should be noted that the ultimate distribution or outcome for Creditors could differ from the information provided in the plan.

Neither the practitioner nor any shareholder or employee of Calandria undertakes responsibility in any way whatsoever to any person in respect of any errors in this Business Rescue Plan arising from incorrect information provided.

Under no circumstances will the practitioner be liable, other than in the event of his bad faith or willful default, for any loss or damage of whatsoever nature, arising from information material to his duties as practitioner being withheld, concealed or misrepresented by the director(s), employees, representatives or agents of Calandria, or any other person of whom he may make inquiries, unless detection of such withholding, concealment or misrepresentation should reasonably have been expected because such withholding, concealment or misrepresentation was, without further inquiry, evident from the information provided.

This disclaimer clause and any assessment of the practitioner's work made pursuant to this clause will have regard to the limited scope of the procedures agreed to and performed under this report and Plan.

### 3. Definitions

<b>Definition</b>	<b>Description</b>
Act	The Companies Act No. 71 of 2008, as amended.
Affected persons	Affected persons are any members, Creditors and employee representatives (or employees in the case of not being represented).
Business Rescue Proceedings	Business Rescue Proceedings as set out Proceedings in Chapter 6 of the Act. The Director passed a resolution placing in Business Rescue and filed the prescribed notice with the Commission on 5 July 2016.
Business Rescue Practitioner	Business Rescue Practitioners as defined in terms of Practitioner Sections 128 and 138 of the Act.
Business Rescue Plan	This document is a Business Rescue Plan prepared in terms of the Act by the Practitioner.
Commencement Date	The date upon which the resolution to commence Business Rescue Proceedings was filed with the Commission placing Calandria under supervision in terms of Section 129(2)(b) read with Section 132(1)(a)(i) of the Act. In this case 18 July 2016.
CIPC	The Companies and Intellectual Property Commission (CIPC).
Concurrent Creditors	Creditors having Concurrent claims against Calandria as envisaged by the Insolvency Act.
Creditors	All legal entities, including natural persons, having secured, preferential and/or Concurrent claims against Calandria as at the Commencement Date and as envisaged by the Insolvency Act.
Employee	Any person appointed to represent the Representative employees of Calandria, whether it is done by recognized union representative or representative elected by the employees to attend the meeting of Creditors or the meeting of employees as set out in Section 144 of the Act.



Forced Sale	An estimate of what will be realised when a sale of assets occurs on an unreserved open-cry auction where a sale is concluded upon the fall of the hammer to the highest cash bidder, and where the auction is reasonably well advertised and attended by members of the public.
Insolvency Act	Insolvency Act 24 of 1936, as amended.
Post Commencement	Post Commencement Finance as described in Section Finance 135 of the Act.
SARS	The South African Revenue Services.
VAT	Value-Added Tax.

#### 4. Business Rescue Procedures

The Director resolved that Calandria begin Business Rescue Proceedings and placed Calandria under supervision in terms of Section 129(1) of the Act on 25 August 2017.

#### 5. Business Rescue Practitioner

The following persons were appointed as Business Rescue Practitioners:

##### **STEPHANUS ABRAHAM ROUX**

Appointment date:	30 June 2021
Physical address:	Law Chambers, 6 Fairview Office Park, First Street, George East
Postal address:	P.O. Box 4411, George East, 6539
Telephone:	+27 44 871 4881
Facsimile:	+27 86 624 7297
Email:	<a href="mailto:nicolene@rouxprok.co.za">nicolene@rouxprok.co.za</a>

## 6. PART A - BACKGROUND

This section explains the background of the business of Calandria and sets out pertinent details prior to commencement of Business Rescue Proceedings.

### 6.1. General

6.1.1. The primary business activity of Calandria is the supply and sale of hardware to contractors and the general public.

6.1.2.

The Covid 19 pandemic had a direct influence on the turnover of the Company.

The economic downturn of the local and national economy.

The events had a negative effect on the cashflow of the business which resulted in the non payment of the landlord and suppliers.

Credit facilities are no longer available to purchase stock and further funds are not available as all facilities have been extended to its limits.

6.1.3. The shares in Calandria were sold in September 2020 by Christoffel Johann Maritz to the directors.

6.1.4. Calandria is competing in a difficult environment due to thirteen similar business operations in Modimolle.

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*Above information is an extract from the sworn statements as referred to in section 129 (3) (a).*

### 6.2. Material assets

Values of the material assets were obtained by physical stocktake and from information received from the director and other sources available. The initial purpose of values were to establish the forced sale values of unencumbered assets.

The values are as follows:

**Stock (Total value R3 689 000)**

50% Stock Less 30% R1 291 150.00	
50% Stock Less 75% R461 125.00	1 752 275.00
Computer Equipment	127,502.26
Security Equipment	37,948.15
Furniture and Fittings	56,778.55
Plant and Machinery	501,208.37
Motor Vehicles	422,886.70
Debtors	1,129,763.40

**3 648 362.43**

The values of the assets for the purpose of the sale thereof, have been adjusted that 50% of the stock be sold at less 30% and 50% of the stock be sold at less than 75% due to an estimated 50% being "slow moving" stock. Debtors of R1 175 000 represents debtors outstanding for a period exceeding 120 days. If the sale of the assets takes place terms of the approved business plan, buyers will pay auctioneers commission.

**6.3. Trade**

Calandria will trade in normal course of business till Friday 5 November 2021. Due to the large percentage of "slow moving" stock, already paid for to suppliers, the limited sale of stock available are not sufficient to generate sufficient cash flow to maintain the business operations. Stock were purchased from a third party supplier to continue with business operations as suppliers were not prepared to sell stock on any other basis than cash.

**6.4. Creditors**

"Annexure A" represents the Creditors of Calandria when Business Rescue Proceedings began. Claims have been investigated and certain claims have been adjusted according to Calandria's records. Creditors who's claims have been adjusted will be notified in an attempt to rectify any errors.

All Creditors must verify the outstanding amount owed to them as per Calandria's records. Creditors' voting interests for the purposes of voting on this Business Rescue Plan will be calculated on the basis of verified claims.<sup>1</sup>

For illustrative purposes "**Annexure A**" indicates Creditors' voting interests based on credit balances as at the commencement of Business Rescue Proceedings and are classified in terms of the laws of insolvency.

#### **6.5. Probable dividend in the event of immediate liquidation**

An estimation of the dividend receivable by Creditors in the event of the immediate liquidation of Calandria is provided in "**Annexure B**".

Liquidator's fees and the costs of liquidation (realisation of assets) represent the best estimates of the Practitioner. The values of the assets reflect the forced sale value of the assets.

From "**Annexure B**" it appears that 17 cents will be payable to Concurrent Creditors.

The following assumptions were made in the calculation of the liquidation scenario:

- Assets will be realised at the forced sales values;
- Provision for realisation costs at 10% of the proceeds of property; and
- Liquidator's fees at 10% of proceeds of moveable property
- The estimated Claw-back VAT which represents 50% "compromise" which amounts to R448 834, in terms of Section 122, will be set-off against the assessed loss of Calandria.

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<sup>1</sup> In terms of S 152 (2) of the Act, a proposed Business Rescue Plan requires the approval of more than 75% of the Creditors' voting interests that were voted and at least 50% of the independent Creditors' voting interests that were voted.

## 6.6. Holders of securities of Calandria

Prior to commencing Business Rescue Proceedings, the shareholding in Calandria was as follows:

<b>Name</b>	<b>Interest</b>
1. JUAN CHRISTOPHER MARITZ	50%
2. NICOLA VAN HOOGDALÉM	50%

The Shareholders declare that no other interest has been issued, promised to any party or is still to be issued to any party.

## 6.7. Practitioner's Remuneration

A written agreement with the Business Rescue Practitioners is attached hereto as "**Annexure C**".

## 6.8. Informal proposals by Creditors

An offer made to the directors prior to Business Rescue was explored after commencement of Business Rescue, but was not accepted by the directors. The offer was made by the landlord in the amount of R3,500,000 for all assets less the amount due for arrear rental.

# 7. PART B – PROPOSALS

## 7.1. General outline

Business rescue is defined in section 128 (b) (iii) of the Act so as to include the scenario where Calandria continues in existence on a solvent basis as well as the scenario where, if not possible for Calandria to so continue in existence, results in a better return for Calandria's Creditors, employees or members than would result from the immediate liquidation of Calandria. Although various parties have shown interest in purchasing the business conducted by Calandria, no formal offer has been received. The Business Rescue

Practitioner together with management conducted an objective assessment of Calandria and evaluated various Business Scenarios.

The following is proposed:

### **Basis of Business Rescue Plan**

The implementation of a wind-down process will be the basis of this plan. In terms of the said process the business rescue practitioner will seek to realize all assets by way of private treaty, auction or any other manner which the business rescue practitioner in his sole discretion, deem appropriate given the circumstances prevailing at that time.

To ensure that Creditors receive a better return in Business Rescue and to facilitate the Business Rescue process, the BRP have developed an allocation mechanism to achieve an equitable sharing of the costs incurred and proceeds generated during the Business Rescue.

In terms of sections 135 and 144 of the Companies Act, Creditors are to be paid in the following order of priority (to the extent that there are funds available to pay all categories of Creditors) :

- The Business Rescue Costs, including but not limited to legal costs, the costs of the Advisors, operating costs and other costs associated with the Business Rescue;
- Employees for any remuneration, reimbursement for expenses or other amount of money relating to employment which becomes due and payable by the Company to the Employees during the Business Rescue (to the extent that they have not been paid);
  - PCF Creditors;
  - Employees for any remuneration, reimbursement for expenses or other amount of money relating to employment which became due and payable

by the Company to the Employees prior to the Business Rescue (to the extent that they were not paid), and

- Unsecured / General Concurrent Creditors, including Secured Creditors in respect of any residual Claim remaining after realization of their security.

## **7.2. Failure**

Should Calandria default on any of its obligations in terms of this Business Rescue Plan, Calandria will automatically be afforded one extension of time to the end of the subsequent month to rectify the breach.

Should Calandria not be able to rectify the breach within the aforesaid time, the Business Rescue Practitioners must call for a vote via an email voting system to obtain the Creditors' further instruction.

### **7.2.1. Amendment of the Business Rescue Plan**

Upon the passing of a vote to amend the Business Rescue Plan, the practitioner may call for proposals from Creditors to be considered and included in the Business Rescue Plan if acceptable to the practitioner. The amended Business Rescue Plan will be published within 10 business days after the vote to amend the plan has been passed whereupon the provisions of the Act relating to the publication and consideration of proposed Business Rescue Plans will apply afresh.

### **7.2.2. Sale of Assets**

The practitioner will be afforded 60 days from the date the vote was passed to collect and realise the assets. The disposal of assets may be undertaken as set out in clause 7.1 (Basis of Business Rescue Plan).

## **7.3. Conditions**

This Business Rescue Plan is published under the condition that all figures reflected herein are published for the purpose of calculating dividends and the like. It is published without prejudice to Calandria regarding the correctness of such figures. An amount will only form

part of a payment scheme once the respective Creditors have proven their claims against Calandria and must not be seen as an admission of the merits or quantum of the Creditor's claim against Calandria.

The meeting in terms of section 152 of the Act remains open in order for the Practitioner to obtain instructions from Creditors regarding this Business Rescue Plan should the need arise until the termination of Business Rescue Proceedings.

#### **7.4. Moratorium**

Should this Business Rescue Plan be approved, the general moratorium on legal proceedings against Calandria will be extended, in the manner provided for by Section 133 of the Act, until Business Rescue Proceedings are ended.

#### **7.5. Release**

It is not proposed that any debt of Calandria be converted into equity.

In the event that this Business Rescue Plan is adopted, payment received by Creditors in terms of this Plan will constitute full and final settlement of their claims against Calandria upon the receipt of the final payment due in terms of the Business Rescue Plan.

#### **7.6. The ongoing role of Calandria and existing agreements**

All contractual obligations of Calandria will be suspended by the Practitioner.

Debts incurred by agreement with Calandria during the Business Rescue Proceedings constitute post commencement finance and will continue to be honoured in the normal course of business in terms of section 135 as far as cash flow reserves allow.

#### **7.7. Order of preference**

Proceeds of the sale of the assets of Calandria will be applied firstly towards debts incurred by it subsequent to the commencement of Business Rescue Proceedings, where after funds will be applied towards other claims in accordance with the provisions of section 135 of the Act.



## **7.8. Benefits of Business Rescue over liquidation**

It is clear that the financial benefits to Creditors of Business Rescue far outweigh the benefits of the liquidation of Calandria.

The better returns in Business Rescue are due to, amongst others:

- saving on liquidator's fees;
- saving on realisation costs;
- utilizing the assessed loss of Calandria for setting-off claw-back VAT in terms of the VAT Act.

In the event that the Business Rescue Plan is adopted all the Creditors will receive a better dividend over liquidation.

## **7.9. Effect on securities**

The Business Rescue Practitioners does not envisage any change in shareholding of Calandria if the Business Rescue Plan is adopted.

## **7.10. Note to Creditors**

The assumptions and forecasts contained in and relating to this Business Rescue Plan represent, unless otherwise indicated, the worst case scenario in an attempt to illustrate that dividends expected from the Business Rescue Proceedings of Calandria are expected to be far in excess of the dividends expected from the immediate liquidation of Calandria.

# **8. PART C - ASSUMPTIONS AND CONDITIONS**

## **8.1. Conditions**

- 8.1.1. This Business Rescue Plan or any amended plan will come into operation once adopted.
- 8.1.2. Creditors who expect payment in terms of this plan must, after the adoption of the plan, prove their claims in the same manner as claims to be proved in

liquidation in accordance with the provisions of the Insolvency Act within 20 (TWENTY) days by completing the Claim Form attached hereto as "**Annexure D**" and submitting the same to the practitioner by hand or by email at the addresses set out in paragraph 6 above.

- 8.1.3. The practitioner has the authority to negotiate and settle claims disputed by Creditors. Should the practitioner not be able to settle such claims, the matter will be referred to a referee for final determination as more fully described in paragraph 9.2 below.
- 8.1.4. Should a Creditor be unable to prove its claim in such an instance, that Creditor will not participate further in this Business Rescue Plan and will lose its claim against Calandria.
- 8.1.5. Upon full implementation of this plan, Calandria will be released from any obligations to Creditors except as provided for in this plan. Where applicable, Creditors will compromise their claims against Calandria upon the final payment due in terms of this Plan and will thereafter have no further claims against Calandria. Until such time as all creditors have been paid from the proceeds of the sale of the assets a Creditor's claim will not be compromised.
- 8.1.6. Should Calandria be liquidated during the period of implementation of this plan, Creditors will have claims equal to those at the commencement of Business Rescue Proceedings less amounts already paid in terms of this plan.
- 8.1.7. Prescription in respect of proved Creditors' claims will not run until, at least, the claim becomes due and payable upon breach or winding up as contemplated above.
- 8.1.8. Until such time as Calandria has fully satisfied all its obligations contained in this plan, Calandria will not declare any dividend and will notify Creditors of any bonus, incentive, salary increase or other benefit granted to any person that is a shareholder or director of Calandria or who is related to such a person.
- 8.1.9. The Business Rescue Practitioners undertakes that Calandria shall ensure that all tax obligations (including the filing of returns and payment of outstanding taxes) will be met until proceedings have been terminated on any ground listed in terms

of section 132 of the Companies Act of 2008. Any deviation from this undertaking shall constitute a material breach of the provisions of this Business Rescue Plan and proceedings will in such instance be deemed to have terminated. The full original claim outstanding to Creditors or remainder of such claim shall be payable.

8.1.10. VAT liability arising as a result of a compromise of debts in terms of this plan is not subject to compromise and is payable in full. Provision for any VAT liability triggered in terms of section 22 of the VAT Act 89 of 1991 will be set-off against Calandria assessed Tax Loss.

8.1.11. For so long as the company complies fully with its obligations to creditors, creditors who hold suretyships from the director and/or members of the company will not enforce the suretyships. However, in the event of a breach of the business rescue plan by the company, or in the event that the company is placed into a winding up, creditors who hold such suretyships shall be entitled to immediately enforce the suretyships in respect of the full balance of the creditors' original claim/s against the company that remains outstanding. (Provided only that no such provision be ultra-virus.)

## **8.2. Referee**

Disputes over the claims of Creditors shall, in writing, be referred to a referee appointed by the parties, and failing agreement on such appointment, by the suitable professional body/institution depending on whether the dispute is of a legal, accounting or other nature.

The referee who shall deal with the matter informally, shall determine the formalities and process to be followed for the matter to be adjudicated upon by him (at a venue mutually convenient to all parties as determined by the referee) as expeditiously as possible provided only that the parties shall be obliged to discover all documents relevant to the issue(s) in dispute within five days from referring the matter to the referee, the parties agreeing that the decision of the referee, who shall act as an expert and not as an arbitrator, shall be final and may be made in order of court.

## **8.3. Effect on employees**

All employee contracts will be terminated.

#### **8.4. End of Business Rescue Proceedings**

Business Rescue Proceedings will end when the provisions of this plan have been substantially implemented, or otherwise in terms of the Act.

#### **9. Certificate by the Practitioner regarding the Business Rescue Plan**

We, the duly appointed Business Rescue Practitioners of Calandria, hereby declare that the information contained in this Business Rescue Plan is based on actual information supplied to me. The information was requested from authorised representatives of Calandria and third parties where applicable.

Estimates contained herein are made in good faith based on actual information supplied to me and in the exercise of professional judgement.

Thus done and signed on this 29th day of October 2021.



**STEPHANUS ABRAHAM ROUX**

**BUSINESS RESCUE PRACTITIONER**