FLOWCHART ILLUSTRATING THE BUSINESS RESCUE PROCESS

C - General overview of the timing relating to BRP

Note: In terms of section 132(3) BRP should generally end within 3 months! (Unless an extension is granted by the court on application by the practitioner)

Start of BRP as a result of -

- 1. Resolution in terms of section 129; or
- 2. Court order in terms of section 131; or
- 3. Court order during course of liquidation proceedings or proceedings to enforce a security interest.

As soon as practicable after commencement of BRP

Director's to provide Practitioner with all books and records of the company and Practitioner to investigate company's financial affairs.

5 business days (or a longer period as allowed by the Practitioner)

Director's to provide Practitioner with a statement of affairs

10 business days after Practitioner's appointment

First meeting of creditors.
First meeting of employees' representatives.

25 business days after Practitioner's appointment (or such longer time as granted by the court of the holder's of a majority of the creditors' voting interests)

Practitioner to prepare business rescue plan and plan to be published by the company.

10 business days

Meeting to consider and vote upon the adoption of business rescue plan.
(Notice of meeting to be given 5 days before.)

Business rescue plan approved/rejected.

If approved: When substantially implemented, Practitioner to file notice of the substantial implementation.

If rejected: Practitioner may seek a vote of approval requiring the preparation of a revised plan, or advise the meeting that the company will apply to a court to set aside the result of the vote on the basis that it was inappropriate. If a Practitioner fails to take any of the aforementioned steps, any affected person may call for a vote approving the preparation of a revised plan, or apply to a court to set aside the result of the vote on the basis that it was inappropriate, or offer to purchase the voting interests of the person/s whom voted against the adoption of the business rescue plan.

End of BRP as a result of:

- 1. Court order setting aside resolution/order that began BRP; or
- 2. Court orders conversion of BRP into a liquidation; and
- 3. Notice of termination of BRP filed with the Commission; or
- 4. Business rescue plan proposed and rejected (and proceedings not extended); or
- 5. Business rescue plan adopted and notice of substantial implementation filed by the Practitioner.