

## **Minutes of a Second Meeting of Creditors/Creditors Representatives of Schmidhauser Electrical Holdings Proprietary Limited Registration Number 2009/002480/07 (“the Company”) in terms of Section 151(1) of the Companies Act 71 of 2008, as amended (“the Companies Act”) held at Deloitte, Green Point on Tuesday, the 3<sup>rd</sup> of May 2016 at 09:30**

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The Chairman, Daniël Terblanche (“Terblanche”), opened the meeting and welcomed everyone present at the Second Meeting of Creditors of the Company in terms of Section 151(1) of the Companies Act.

### **Attendance:**

D Terblanche (Business Rescue Practitioner) (“BRP”) (Deloitte)  
Y Bruwer (Deloitte)  
Brent Mac Gregor (Neptune Plant Hire)  
Darryl Whitaker (NBCEI)  
Andre Freeman (CIS)  
Ryan Smith; Amy-Leigh Muir (Webber Wentzel)  
Khalied Booley (SARS)  
D Mitchell (MacRobert Attorneys)  
Tracey Steele (Schneider Shargey Klitzner Attorneys)  
Andrion Gouws (Standard Bank)  
A Symington (ENS Attorneys)

### **Apologies:**

Daniel Schmidhauser’s flight from Durban was delayed.

### **Agenda:**

- 1. (a)** Creditors and members to consider the business rescue plan in respect of the Company (“the plan”), in terms of Section 152(1)(a) of the Companies Act.

- (b) The BRP to inform the meeting whether or not he believes that there is a reasonable prospect that the Company can be rescued. (Section 152(1)(b) of the Companies Act).
- (c) Opportunity for employees' representatives to address the meeting (Section 152(1)(c) of the Companies Act);
- (d) Discuss, entertain and conduct a vote on any motions to (i) amend the plan in a manner as moved and seconded by the majority of the creditors' voting interests and satisfactory to the BRPs; or (ii) direct the BRP to adjourn the meeting in order to revise the plan for further consideration (Section 152(1)(d) of the Companies Act).
- (e) Call for vote for preliminary approval of proposed plan (as amended if applicable). If the meeting has been adjourned in terms of section 152(1)(d)(ii) of the Companies Act, this fifth step does not need to be conducted.

**1. (a) Creditors and members to consider the business rescue plan in respect of the Company ("the plan"), in terms of Section 152(1)(a) of the Companies Act.**

Terblanche gave creditors an opportunity to comment on the plan and/or any suggestions.

Andrion Gouws ("Gouws") commented on a few issues in respect of Standard Bank's exposure.

Darryl Whittaker ("Whittaker") from the National Bargaining Council wanted to know how and in what order their claim will rank and Terblanche confirmed that it would be concurrent. Any post commencement liability must however be settled within the business rescue process.

Ryan Smith from Webber Wentzel ("Smith") wanted to know whether the value of Daniel's Schmidhauser's personal creditors were known? Smith mentioned that Daniel Schmidhauser owns other properties and Terblanche confirmed that he is aware of it and that these properties are currently being marketed.

Khalied Booley ("Booley") from SARS raised the VAT claw back issue and wanted to know whether the post commencement provision has been made on the compromised figure. Terblanche said that this is being dealt with on an *ad hoc* basis and Deloitte's Tax department is dealing with the calculation. Terblanche mentioned that Booley furnished him with SARS' Standard Clause which SARS suggested to be included in the plan. Terblanche confirmed that the 2014 financials were submitted and 2015 will be submitted shortly.

Terblanche mentioned that a late offer was received from Merchant Factors and Terblanche requested for their offer to be increased. Craig Nain from their office confirmed that a higher offer must be approved by their Credit Committee and for that reason required further information. Once the offer is received, it will be included as a second option in the plan in the form of re-financing.

Terblanche mentioned that the value of the Proxy's received in favour of the plan was R2 839 723.10. Zeta Car Leasing trading as Avis Fleet, with their claim to a value of R125,925.61 voted against the proposed plan.

Andre Symington (“Symington”) will meet with Webber Wentzel regarding their claim.

- (b) **The BRP to inform the meeting whether or not he believes that there is a reasonable prospect that the Company can be rescued. (Section 152(1)(b) of the Companies Act).**

Terblanche said the Company is trading at a profit, Standard Bank is not paid at the moment although they have received payments from the trading activities post commencement. There has been a reduction in the fixed expenses. The Company has not paid PAYE, UIF, SDL, nor has it submitted the relevant returns. These returns and payments will be submitted and settled shortly.

Terblanche said that the number of employees are less than on the effective date and the Company will furnish the National Bargaining Council with the exact number to enable them to quantify their ongoing liability.

The Company is continuing with the recovery of debtors.

- (c) **Opportunity for employees' representatives to address the meeting (Section 152(1)(c) of the Companies Act);**

Terblanche confirmed that a separate meeting will be held with the employees.

- (d) **Discuss, entertain and conduct a vote on any motions to (i) amend the plan in a manner as moved and seconded by the majority of the creditors' voting interests and satisfactory to the BRPs; or (ii) direct the BRP to adjourn the meeting in order to revise the plan for further consideration (Section 152(1)(d) of the Companies Act).**

Terblanche referred to the potential amendments that was discussed earlier in the meeting. Terblanche suggested that the plan needed to be reworded in its current form and circulated to creditors for their consideration. Terblanche proposed to creditors to consider an adjournment of the meeting.

Booley said the liquidation scenario should be adjusted to include the claim of the Bargaining Council. The 2015 return must also be submitted.

Symington mentioned that enough time should be afforded for meetings to be held with Standard Bank, Webber Wentzel and to deal with the further option from Merchant Factor.

Terblanche proposed an amended plan to be published by the 12<sup>th</sup> of May 2016 and the adjourned second meeting of creditors to resume on the 26<sup>th</sup> of May 2016, 14:00, at Deloitte, Green Point.

All creditors attending the meeting approved the adjournment of the meeting until the 26<sup>th</sup> of May 2016. Terblanche confirmed that proper notice will be given, should any further extension be required.

Terblanche thanked everyone present for attending and adjourned the meeting at 10:22.