



ARNOTOPCO

14 July 2023

RE: ARNOT OPCO PROPRIETARY LIMITED (IN BUSINESS RESCUE) (“THE COMPANY”)

1. To date, Phahlani Mkhombo (“**Mkhombo**”) has charged out his time at the prescribed tariff rates set out in Regulation 128 of the Companies Act. In terms of section 143(2) of the Companies Act, 71 of 2008 (“**Companies Act**”), Mkhombo hereby proposes an agreement with the Company providing for further remuneration upon the adoption of the business rescue plan (“the **Plan**”) as follows:
 - 1.1. An increase in respect of the prescribed tariff rates as set out in Regulation 128 of the Companies Act since its promulgation in 2011 from the prescribed hourly rate of R1 740.00 (exclusive of VAT) to R4 500.00 per hour (exclusive of VAT) in respect of Mkhombo. This fee is payable on the Adoption Date and is based on an approximation of Mkhombo’s standard hourly rates and the tariff rates.
 - 1.2. The aforesaid increase will be retrospective from the Commencement Date, being 10 October 2022, until the Substantial Implementation Date.
2. It should be recognised that the hourly rate prescribed by the tariff in the regulations is not market related and is outdated as it was determined in or about 2011. The current market related hourly rate is between R3 500.00 and R6 500.00 exclusive of VAT.
3. In addition to the above, Mkhombo will be entitled to:
 - 3.1. a capital raising fee of 2% (two percent), exclusive of VAT of the post-commencement finance or funding in whatever form including prepayment for coal obtained in terms of section 135(2) of the Companies Act upon the successful execution of the post-commencement finance agreement.
 - 3.2. to a success of 2% (two), exclusive of VAT, calculated based on the total liabilities of the Company as at Commencement Date of business rescue proceedings or a deal fee (whichever is applicable) of 2% (two percent), exclusive of VAT, in respect of any successful transaction concluded with a third party calculated based on the total liabilities of the Company as at the Commencement Date of business rescue proceedings. This fee will be payable to Mkhombo or Genesis Corporate



Contact us

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Johannesburg, 2021



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Solutions, on the date of filing of Substantial Implementation of the adopted plan with CIPC.

4. Please indicate your acceptance of the above proposed agreement by having this letter countersigned in the space provided for below.
5. Upon signature by the Company below, this letter will constitute the written agreement between the Company and the BRP as contemplated in section 143(2) of the Companies Act.
6. This agreement will become final and binding on the Company upon approval, as contemplated in section 143(3) of the Companies Act.

Yours faithfully,

Phahlani Mkhombo
Business Rescue Practitioner
Arnot Opco Proprietary Limited (in Business Rescue)

I, the undersigned, Enos Lentsoane, do hereby agree on behalf of the Company to the proposed agreement for an increase in the business rescue practitioners' remuneration as provided for in paragraph 1 of this agreement.

Signed:

Name: Enos Lentsoane

Designation: Chief Executive Officer



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Date: 12 July 2023



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