

TEMPLATES FOR CLAUSES IN THE BUSINESS RESCUE PLAN

- **DEFAULT CLAUSE:**

Any compromise contemplated in this business rescue plan is conditional upon the company fully meeting its obligations to creditors as set out in this business rescue plan. In the event of any breach by the company of its obligations to creditors in terms of the business rescue plan, or in the event the company is placed in liquidation, the full balance due to creditors in terms of their original claims against the company shall immediately become due, owing and payable by the company to the creditors. Business rescue proceedings will, in such instance be deemed to have terminated.

- **CONTINUING TAX OBLIGATIONS:**

The business rescue practitioner undertakes that the company shall ensure that all future 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.

- **VAT CLAWBACK CLAUSE:**

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. The practitioner warrants that provision for any VAT liability triggered in terms of section 22 of the VAT Act 89 of 1991 has been made in the plan.

- **ASSESSED LOSS FORFEITURE:**

Any assessed loss will be subject to and dealt with in accordance with the provisions of the tax laws of South Africa and will be forfeited in proportion to the debt compromise effected by the business rescue plan. Such reduction shall be without prejudice to any rights that the taxpayer may have in terms of the Tax Administration Act.