

Tongaat Hulett Limited

Registration number 1892/000610/06

Share code: TON

ISIN ZAE000096541

("Tongaat Hulett" or the "Company")

## **CONCLUSION OF A WAIVER AND UNDERTAKING AGREEMENT WITH LENDERS; NOTICE IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT**

Shareholders are referred to the announcement of 24 April 2019 in which Tongaat Hulett advised shareholders that the Company is engaging in a collaborative process with its debt providers to ensure the Company's long-term sustainability.

The Company has now concluded a waiver and undertaking agreement ("**Waiver Agreement**") with its debt providers ("**Lenders**") in relation to existing South African short and long term facilities ("**Facilities**") provided by the Lenders to the Company and certain of its directly or indirectly wholly-owned subsidiaries (collectively with the Company, the "**Obligors**"). In the Waiver Agreement, the Lenders have, amongst other things, agreed to waive their rights arising from any breach of financial covenants contained in the Facilities agreements for the measurement date falling on 31 March 2019.

In terms of the Waiver Agreement, the Company and the other Obligors have agreed to, *inter alia*, the following:

- to provide certain indemnities in connection with the Facilities and any other facilities the Lenders might make available from time to time ("**Other Possible Facilities**") and provide the following security in favour of the Lenders in respect of such indemnities:
  - o mortgage bonds over the immovable properties owned by them;
  - o a cession in security of their right, title and interest in and to the net proceeds realised by them in connection with any disposals of immovable properties they elect to make from time to time;
  - o a cession over debtors and inventory as required, and all other security as agreed to from time to time;
- to procure the subordination of certain intra-group claims that other Tongaat Hulett group companies have against them;
- to limit the financial support they provide to non-South African companies in the group; and
- to provide certain financial and other information to the Lenders on an ongoing basis.

The Company, the other Obligors and the Lenders intend to negotiate and conclude a standstill agreement ("**Standstill Agreement**") in due course which will regulate, amongst other things, a

moratorium for the repayment of amounts (other than interest) due and payable under the Facilities and Other Possible Facilities, if any.

The Lenders have expressed a willingness to conclude a Standstill Agreement subject to terms and conditions to be agreed, and necessary approvals being obtained.

### **Reminder of Cautionary Announcement**

Shareholders are reminded that the Company is still subject to the cautionary announcement of 24 April 2019.

### **Notice in terms of section 45(5) of the Companies Act No. 71 of 2008 ("Companies Act")**

Notice is hereby given in terms of section 45(5) of the Companies Act that the respective boards of the Obligors (being the Company, Voermol Feeds Proprietary Limited, Tongaat Hulett Starch Proprietary Limited, Tongaat Hulett Sugar South Africa Limited, Tongaat Hulett Developments Proprietary Limited and Tongaat Hulett Estates Proprietary Limited) have resolved to provide financial assistance on the basis set out earlier in this announcement. The resolution of the board of directors of the Company ("**Board**") was passed pursuant to the authority granted to the Board by the shareholders at the annual general meeting of the Company held on 1 August 2017.

This notification is required because the financial assistance exceeds one-tenth of 1% of the Company's net worth.

In accordance with section 45 of the Companies Act, the Board, having considered all reasonably foreseeable financial circumstances of the Company and a fair valuation of its assets and liabilities, is satisfied (i) that immediately after providing the financial assistance, Tongaat Hulett would satisfy the solvency and liquidity test as defined in the Companies Act and (ii) that the terms of the financial assistance are fair and reasonable to the Company.

Tongaat

16 May 2019

Sponsor

Investec Bank Limited