



Du Toit Business  
**RESCUE PRACTICE**

70 CARMINE DRIVE  
BURGUNDY ESTATE  
TEL: 021 948 2224  
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[www.dtbbusinessrescue.co.za](http://www.dtbbusinessrescue.co.za)

6 May 2020

To All Affected Parties  
Creditors/Investors

**ORTHOTOUCH (PTY) LTD / ZEPHAN PROPERTIES (PTY) LTD**

Due to the current circumstances surrounding the National State of Disaster of COVID-19 and the lockdown, we are unable to proceed with the physical 2<sup>nd</sup> Creditors voting meetings in terms of the act.

We would, therefore, like to get an indication of who is in favour of the plan as well as finalise the formal meeting documentation in terms of proxies, the cession of claim and the options the investors will be selecting going forward.

I attach hereto the following for your attention:

1. Circular to all Affected Parties
2. Proxy – to vote in favour of the Plan, abstain or reject same. Please also select which option the investor will choose going forward.
3. Cession of Claim – in addition to exercising the chosen option, kindly sign the cession / sale of claim for us to commence with the process.
4. Send signed documentation to: [admin@orthotouch.co.za](mailto:admin@orthotouch.co.za)

I look forward to receiving your feedback and response.

Regards,

A handwritten signature in black ink, appearing to be 'Jacques du Toit', enclosed within a large, loopy oval shape.

Jacques du Toit  
Senior Business Rescue Practitioner



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To Whom It May Concern

6 May 2020

Dear Creditor/Investor

**ORTHOTOUCH (PTY) LIMITED / ZEPHAN PROPERTIES (PTY) LIMITED (“the Companies”)**

I refer to the Published Business Rescue Plans (“BR Plans”) relating to the companies, both of which BR Plans were published in terms of the provisions of and compliance with the requirements of the Companies Act 71 of 2008.

I trust you have read the BR Plans thoroughly, as it is most important that the full storyline and events from the beginning and to the date hereof, regarding your investment is taken into account when making an informed decision as to how to vote in respect of the BR Plans.

You, the investors, are ultimately the decision makers in approving the BR plans or not.

The BR plans give you a holistic view of events and not just “bits and pieces”.

The BR plans inform you of your investment and the returns that you have received to the date of publication of the BR Plans, together with the options going forward being **Option 1**, shares, in a listed company, of which you will be in control of and in respect of which you may make your own decisions as to whether to sell or not, as and when you see fit or to hold onto for the value to increase over time or **Option 2**, being a fixed cash amount. Both options’ values are as referred to in annexure 8.1 of the BR Plans noted under your specific name.

Recent media reports at the time hereof, only refer to certain portions of the BR Plans and quoted out of context have been brought to my attention and which would appear to be only be highlighting certain negative assumptions instead of stating all the facts available. The media article has not afforded the BR Plans proper exposure in that the summary of the events leading up to this point have not been properly dealt with. (which is similar to allowing someone else to read to you from a book where the reader only reads a couple of pages and paragraphs and leave you to make your own assumptions regarding the ending.) I would propose that you read the whole book yourself and then form your own opinion thereof.

Kindly keep in mind that the abovementioned media campaign is driven by a small number of people, each with their own agendas and aims.

My aim is still the same as it was from day one and which is to present to the Investors, to the best of my ability, with the correct facts and the best return possible, with the additional aim to achieve a better return than what they would have received in a liquidation.

I urge you to read and familiarise yourself with all available information and documentation to enable you to make your own decision as it involves your money and is for you to decide.

I look forward to receiving your proxies with the election you prefer to finalise matters as soon as possible.

Regards

A handwritten signature in black ink, consisting of several loops and a final vertical stroke, enclosed within a large, irregular oval shape.

Jacques du Toit  
**Senior Business Rescue Practitioner**

# FORM OF PROXY

For use by the creditors/investors at meetings to be convened in terms of Section 151 of the Companies Act 71 of 2008 at (address to be confirmed).

**Orthotouch (Pty) Ltd (“Orthotouch”) and**

**Zephan Properties (Pty) Ltd (“Zephan”)**

**Registration No. 2010/004096/07 and No. 2003/020174/07**

The above companies are jointly liable /obligated to the Investors/Creditors as listed herein, which liability / obligations stems from the Scheme of Arrangement in terms of section 155 of the Companies Act 71 of 2008.

As a result of the above joint liabilities and obligations, the Creditors/ Affected Parties in Orthotouch are the same to those of Zephan and vice versa.

***It is therefore essential that you vote on both the Business Rescue Plans of Orthotouch and Zephan.***

I/We,

**NATURAL PERSON**

Full name & Surname: \_\_\_\_\_

Identity Number: \_\_\_\_\_

or

**LEGAL ENTITY (Trust / CC / Company)**

Full Entity Name: \_\_\_\_\_

Registration Number: \_\_\_\_\_

**(Complete the applicable)**

**being a creditor / investor of the above Companies**

**for the sum of R \_\_\_\_\_ ( \_\_\_\_\_**

**Rand) do hereby appoint (see note 1)**

1. \_\_\_\_\_;
2. **the Chairman of the creditor's meetings**\_\_\_\_\_;

**as my/our proxy to act for me/us and on my/our behalf at the creditor's meetings to be convened for the purposes of considering and, if deemed fit, approval/acceptance of the business rescue plans as proposed at the meetings and at any adjournment thereof, and to vote for or against such business plans or abstain from voting in respect of my/our voting interest.**

**Option Proxy Instruction: I/We instruct the proxy to vote in my/our stead as follows:**

<b>ORTHOTOUCH BUSINESS RESCUE PLAN</b>	<b>IN FAVOUR OF</b>	<b>ABSTAIN</b>	<b>AGAINST</b>
Approval/Acceptance of the Plan			

**(MUST BE MARKED)**

**and**

<b>ZEPHAN BUSINESS RESCUE PLAN</b>	<b>IN FAVOUR OF</b>	<b>ABSTAIN</b>	<b>AGAINST</b>
Approval/Acceptance of the Plan			

**(MUST BE MARKED)**

**and**

**(refer to note 4 below for your entitlement calculation for each Option)**

<b>OPTION CHOSEN IN TERMS OF BR PLAN:</b>	
<b>OPTION 1: SHARES</b>	<b>OPTION 2: CASH PAYMENT</b>

**(MUST BE MARKED and elected irrespective of time frame as stated in BR Plan, as COVID-19 is delaying the process)**

**Proposed amendments to the published Business Rescue Plans:**

1. Kindly note that as a result of the unforeseen circumstances as a result of Covid 19, I expect a delay in the payment date and issuing of shares as contemplated in the published Business Plan, however it will be endeavored upon to finalise as soon as is possible.
2. Further to the above in the event of approval of the Published Business Rescue Plan, taking into consideration the current and possible future litigation by opposing parties, I am required by the 3<sup>rd</sup> party proposer to apply to court to sanction the approval of the plan, where after the process of payment and issuing of shares can commence which may take up to 120 business days from the date of approval of the Business Rescue Plan in terms of the Companies Act (however subject to sanctioned court order obtained), instead of the timeframe stated in par 15.5, 15.6 and 15.7 in the BR Plan.
3. There is a typo in the Synopsis Section B, Paragraph's 15.5.4, 15.7.1 and 15.7.2 of the BR Plan. This section of the BR Plan states that the NAV is R7.99. This value is incorrect and is to be read as R7.77 which is in line with Annexure 11 of the BR Plan confirming that the NAV is R7.769, rounded up to R7.77.

**Please be advised that insofar as any person may instruct a vote in favor of the Approval/Acceptance of the Plan that they, by affixing their signature below, agree irrevocably to be bound by the terms and conditions of the Cession of Claims, as set out below, which they agree they are fully conversant and acquainted with.**

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
**SIGNATURE**

**NOTES:**

1. A Creditor may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided, with or without deleting "the Chairman of the creditors' meetings". The person whose name stands first on the form of proxy and who is present at the creditor's meetings will be entitled to act as proxy to the exclusion of those whose names follow.
2. Form of proxy must be lodged at the office of the business rescue practitioner, Jacques Du Toit, e-mail [admin@orthotouch.co.za](mailto:admin@orthotouch.co.za). The email address is for purposes of accommodating the volume of correspondence.
3. All proxy's need to be sent to the Business Rescue Practitioner as soon as possible, but not later than 7 days from date of receipt hereof, to the email address as referred to above.

**4. Calculation Formula based on a R100 000 investment:**

**4.1. Option 1 Shares:**

$R100\ 000$  (capital investment)  $\times$  25% = 3218 shares at R7.77 NAV per share. (issued within 120 days)

$R7.77(\text{NAV}) \times 3218$  shares, equals R25 000 in rand value or an additional 25% return of the initial investment, which is to mature.

This will similarly be applicable if the share price increased to R7.90, or more, a share at any stage.

**4.2. Option 2 Cash:**

$R100\ 000$  (capital investment)  $\times$  25% = 3218 shares at R7.77 per share.

$R2.00$  (agreed value)  $\times$  3218 shares = R6 436.00 (paid within 120 days).

This amount is equal to an additional 6.4% return of the initial investment.

5. ***Cession of Claim – in addition to exercising the chosen option, kindly also sign the cession / sale of claim below for us to commence with the process.***

## CESSION OF CLAIMS

between

### NATURAL PERSON

Full name & Surname: \_\_\_\_\_

Identity Number: \_\_\_\_\_

or

### LEGAL ENTITY (Trust / CC / Company)

Full Entity Name: \_\_\_\_\_

Registration Number: \_\_\_\_\_

(Complete the applicable)

("the Cedent")

in favour of:

**ORTHOTOUCH (PTY) LTD**  
**(Registration Number: 2010/004096/06)**

**OR NOMINEE**

\_\_\_\_\_

("the Cessionary")

## 1 INTRODUCTION

### Whereas:

- 1.1 The Cedent is an investor in the Highveld Syndication Group of Companies, (applicable to their respective claim), which were subsequently placed under business rescue and later formed the subject matter of a Scheme of Arrangement.
- 1.2 The Cedent by virtue of the aforesaid are entitled to certain rights, claims and entitlements against Zephan and Orthotouch, both of which have been placed under business rescue.
- 1.3 The Business Rescue plans for both Zephan and Ortotouch are to be voted upon and accepted on the basis that the Cedent would be obliged to cede any and all claims, and rights which the Cedent has or claims arising from the HS Investment/s ("Claims") to the Cessionary, which he/she/it hereby do, subject to due and proper compliance by the Cessionary of its obligations in terms of the Business Rescue plans.
- 1.4 The Business Rescue plans envisages a sale and an out-and-out cession of all claims and disputes which the creditor / investor might have against any person howsoever arising, whether from or relevant to the matters and / or issues traversed in or in any way relevant to the Business Rescue Plans, the business rescue of the Highveld Syndication Group of Companies, Zephan, the scheme of arrangement, any High Court proceedings, High Court orders and / or other court proceedings and/or costs orders, whether already vested or to be determined, and none of the creditors / investor will have any further rights or claims against party arising therefrom save as it is specifically provided for in terms of this agreement upon payment of the claim / sale consideration to the Creditor/Investor where after the claim shall be transferred to and vest in the third party offeror.



**IT IS AGREED THAT:**

- 2 The Cedent hereby sells, cedes, assigns and transfers as an out-and-out cession unto and in favour of the Cessionary all of his/her/their/it's rights, title and interest in and to his/her/their/it's claims, upon fulfilment by the Cessionary of its contractual obligations as contained more fully in the BR Plan ,which cession the Cessionary hereby accepts
  
- 3 The Cedent hereby nominates, constitutes and appoints Jacques Du Toit(The BRP) or\_\_\_\_\_ as his/her/their/it's true and lawful attorney and agent irrevocably and *in rem suam (for the Cedent's advantage)*, with power of substitution, to do all such things and sign all such documents as might be required to give effect to the aforesaid cession.

**THUS DONE AND SIGNED BY THE RESPECTIVE PARTIES AS FOLLOWS:**

---

Date:

Place:

---

Date:

Place:

**RESOLUTION FOR LEGAL ENTITY (COMPANY/CC/TRUST)**

**Full Name:** \_\_\_\_\_ (“ENTITY”)

**Registration Number:** \_\_\_\_\_

**PASSED AT** \_\_\_\_\_ **on** \_\_\_\_\_ **2020**

**RESOLVED:**

1. that the Director / Member / Trustee, of the above legal ENTITY, consents to the form of proxy and Cession of Claims attached hereto, which form of proxy and Cession of Claims is hereby submitted to and approved by the Director / Member / Trustee.

**RESOLVED FURTHER:**

2. That:

(Full Name and Surname): \_\_\_\_\_

(Identity number): \_\_\_\_\_ in his/her/their capacity as a Director / Member / Trustee, be and hereby are authorised in his/her/their sole and absolute discretion to settle and affirm the terms and conditions applicable to the form of proxy and Cession of Claims annexed hereto and sign all documentation relating thereto and/or any other such document necessary or expedient document in order to give effect to this resolution, and to do all things required and necessary on behalf of the aforesaid person and on behalf of the entity pursuant to the said Proxy and Cession of Claims.

**(All Directors/Members/Trustees to sign)**

\_\_\_\_\_  
**SIGNATURE:**

\_\_\_\_\_  
**SIGNATURE:**

\_\_\_\_\_  
**SIGNATURE:**