

TONGAAT HULETT LIMITED
(Incorporated in the Republic of South Africa)
Registration number 1892/000610/06
Share code: TON
ISIN ZAE000096541
("Tongaat Hulett" or "the Company")



CHANGES TO THE BOARD AND BOARD COMMITTEES AND APPOINTMENT OF A CHIEF RESTRUCTURING OFFICER AND TERMINATION OF UNDERWRITING, SUBSCRIPTION AND RELATIONSHIP AGREEMENT WITH MAGISTER INVESTMENTS LIMITED

CHANGES TO THE BOARD AND BOARD COMMITTEES AND APPOINTMENT OF A CHIEF RESTRUCTURING OFFICER

Tongaat Hulett is pleased to announce the establishment of a Restructuring Committee, an additional subcommittee of the board of directors of the Company ("**Board**"). The primary responsibility of the Restructuring Committee will be to oversee and approve negotiations and the consensual development of a plan to reduce and repay debt to sustainable levels whilst improving the liquidity of the Company ("**Liquidity Plan**") and a plan to restructure the Company's current capital structure, including the recapitalisation of the Company ("**Restructuring Plan**") by various means.

In addition, Tongaat Hulett has introduced the role of a Chief Restructuring Officer, who will be responsible for the development and execution of the Liquidity Plan and the Restructuring Plan and will provide recommendations to the Board in connection with both plans. The Chief Restructuring Officer will also be the chairman of the Restructuring Committee. Other members of the Restructuring Committee will include non-executive directors Jean Nel, Andile Sangqu and Graham Clark, as well as executive director, Rob Aitken. The Board and management will work with the Chief Restructuring Officer to assess a range of options for the future of Tongaat Hulett.

Piers Marsden has been appointed by the Board as the Chief Restructuring Officer and a non-executive director of Tongaat Hulett with effect from 23 June 2022. Piers is a specialist in improving corporate performance, executing corporate turnarounds, and restructuring corporate debt. He has previously acted on behalf of Cell C, Ascendis Health, Edcon, Highveld Steel & Vanadium and Optimum Coal, amongst others, to restructure debt, recapitalise the companies, and implement restructuring plans to deliver long-term sustainable growth and future value to all stakeholders.

The establishment of the Restructuring Committee and the appointment of the Chief Restructuring Officer have been implemented to intensify the focus on the restructuring of the Company. The intent is to produce a plan quickly that considers all available options and provides clarity to stakeholders on the way forward. This appointment will also provide Tongaat Hulett's executives with additional capacity to focus on strategic progress, operational issues, and the day-to-day demands of managing the Tongaat Hulett group to deliver future value to all stakeholders.

TERMINATION OF UNDERWRITING, SUBSCRIPTION AND RELATIONSHIP AGREEMENT WITH MAGISTER INVESTMENTS LIMITED

On 16 November 2021, Tongaat Hulett entered into an Underwriting, Subscription and Relationship Agreement with Magister Investments Limited (“**Magister**”) (“**Underwriting Agreement**”) in relation to a potential equity capital raise to be partially underwritten by Magister (“**Magister Transaction**”).

The Underwriting Agreement is subject to the fulfilment of certain conditions precedent (“**Conditions Precedent**”) by no later than 30 June 2022.

The progression of the Magister Transaction has been slowed down by a hearing before the Takeover Special Committee and longer than expected timelines in obtaining the approval of the Zimbabwean Competition and Tariff Commission.

As a result, certain Conditions Precedent have not yet been fulfilled, and it is clear that these Conditions Precedent will not be fulfilled by 30 June 2022.

In light of the above, little purpose will be served in waiting until 30 June 2022 for the Underwriting Agreement to expire by effluxion of time. Tongaat Hulett and Magister have accordingly agreed to terminate the Underwriting Agreement with effect from today, 24 June 2022.

As stated previously, Tongaat Hulett remains committed to a recapitalisation. Magister has advised Tongaat Hulett that, as a shareholder in Tongaat Hulett, it remains supportive of a recapitalisation of the Company. The Company is continuing to proactively engage with stakeholders regarding a capital raise transaction and a sustainable solution for the Tongaat Hulett group. There is a positive commitment from various stakeholders who recognise the critical social impact that Tongaat Hulett has in South Africa and across the SADC region.

Shareholders will be updated on further developments as and when they arise.

RESPONSIBILITY STATEMENT

The directors of Tongaat Hulett collectively and individually accept full responsibility for the accuracy of the information contained in this announcement, and confirm that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement in this announcement false or misleading, and that all reasonable enquiries to ascertain such facts have been made.

Tongaat
24 June 2022

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