



STUTTAFORDS

**STUTTAFORDS INTERNATIONAL FASHION COMPANY (PTY) LTD
(IN BUSINESS RESCUE) (“the Company”)**

**CIRCULAR TO ALL AFFECTED PERSONS re: MEETING OF CREDITORS
CONVENED IN TERMS OF SECTION 151 AS READ WITH SECTION 152 OF THE
COMPANIES ACT 71 OF 2008 (“the Companies Act”)**

1. We refer to the creditors meeting held on Monday, 20 February 2017 at 11h00 (“**the Meeting**”).
2. The agenda for the Meeting included the introduction and consideration of the proposed Business Rescue Plan (“**the Plan**”), the BRPs assessment of the reasonable prospects of rescuing the Company and discussion, and if required a vote, in regard to any motions to amend the Plan or to adjourn the Meeting.
3. In summary what transpired thereat is the following:
 - 3.1 the business rescue practitioners (“**the BRPs**”) introduction and explanation of the Plan for consideration by creditors;
 - 3.2 the BRPs’ confirmation of their continued belief that there is a reasonable prospect of the Company being rescued;
 - 3.3 the Company’s CEO’s presentation on strategy going forward;
 - 3.4 the exercise by the employees’ representative of the employees rights to address the meeting;
 - 3.5 the presentation by Advocate P. Levenberg SC representing Ellerine Bros (Pty) Ltd (“**Ellerines**”) setting out the Ellerines intentions regarding suggesting amendments to the Plan that would result in the Ellerines assuming control of the Company, this in amplification of a letter handed out to all creditors present

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Stuttafords International Fashion Company (Proprietary) Limited

Reg. No. 2004/004471/07

at the meeting (attached hereto).;

3.6 the BRPs' invitation to discuss and entertain and conduct a vote on any motion to:

3.6.1 amend the proposed Plan, in any manner moved and seconded by holders of creditors' voting interests, and satisfactory to the BRPs;

3.6.2 direct the BRPs to adjourn the meeting to revise the plan for further consideration.

3.7 after the Ellerines presentation, a request was made by it to adjourn the meeting to 10 March 2017;

3.8 the BRPs proposed, with the support of a few creditors, that the meeting be adjourned for one week only;

3.9 after a vote was taken thereon the requisite majority of creditors with voting interests determined that the meeting be adjourned for two weeks to Monday, 6 March 2017 at 11h00 at the same venue, i.e Killarney Country Club, 60 -5th Street, Lower Houghton, Johannesburg ("**the adjourned meeting**").

3.10 the purpose of the adjournment is to enable Ellerines to find a potential buyer of the Company's business and/or to put in an amended plan for voting on by creditors at the adjourned meeting.

4. We certainly hope to see all of you at the adjourned meeting on 6 March 2017.

5. **In the interim we would encourage you to all contact one of the business rescue practitioners, John Evans (011 656 0144 / johnevans@rsadvisors.co.za) or Neil Miller (021 818 5074 / Neil.Miller@mazars.co.za), and/or Corne Wright (011 879 1000 / Corne.Wright@stuttafords.co.za), this with a view to negotiating and signing of one of:**

5.1 the Consignment Agreement – a template of which is attached to the business rescue plan; or

5.2 an agreement for the sale on credit of your product to the Company on 120 days' credit (with reservation of ownership) – also per the template attached to the business rescue plan.

6. We wish to draw to your attention the following protections you have at present:
- 6.1 because the Company is still in business rescue, if you supply product on consignment you should be paid in full after your products have been sold;
- 6.2 certainly, to the extent that you supplied goods with reservation of ownership or on consignment prior to rescue or during rescue, your security in and to your product so sold is protected.
7. The two week adjournment certainly affords both the BRPs, the Company and yourselves a window of opportunity to get together, negotiate and sign these agreements and this opportunity should be utilised by all of you, this for both the Company and your interests going forward.
8. If you have any concerns, queries or wish to sign either the consignment or 120 day credit agreement kindly communicate with Corne Wright in the first instance and failing him, Daniel Reichenberg (011 879 1003 / daniel.reichenberg@stuttafords.co.za) and failing him, John Evans and/or Neil Miller.
9. The recording of the proceedings of yesterday are in the process of being transcribed and will be made available on request only. Should you require a copy thereof, please address your request to businessrescue@mazars.co.za.



NEIL MILLER ; JOHN EVANS
JOINT BUSINESS RESCUE PRACTITIONERS



STUTTAFORDS