

SAXUM
INSURANCE
(IN LIQUIDATION)

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Creditors:
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12 March 2019

**TO ALL KNOWN POLICYHOLDERS, BROKERS AND STAKEHOLDERS OF
SAXUM INSURANCE LIMITED (in liquidation)
(MASTER'S REFERENCE NUMBER G1076/2016)**

CIRCULAR NUMBER 26

UPDATE ON LIQUIDATION PROCEEDINGS

1. SaXum was placed into liquidation on 20 October 2016 by way of an order granted in the High Court, Johannesburg. SaXum remains in liquidation.
2. Policyholders are referred to the contents of all the previous circulars.
3. Policyholders are advised that the joint liquidators will apply for further extension of time with regard to the lodging of Liquidation and Distribution Account until **30 September 2019** and will advise creditors accordingly.
4. The Liquidators commenced negotiations for an Offer of Compromise in terms of Section 155 of the *Companies Act, 71 of 2008* (the **Proposal**). The Prudential Authority's (**PA**) approval of the Proposal was necessary in terms of law. The Liquidators made various representations to the PA relating to the Proposal.
5. In the absence of direct instructions from the PA relating the acceptance of the proposed Compromise Offer, the Liquidators made one last attempt to obtain instructions from the PA by way of a letter dated 10 February 2019 wherein they, through the Attorneys, requested feedback from the PA on or before the 15th of February 2019. It was confirmed that, should they not receive feedback from the PA by the set date, they would assume that any scenario under the Compromise offer is not acceptable and that SaXum should proceed to a point of final liquidation without a compromise offer.
6. No feedback was received from the PA and on 24 February 2019, the Liquidators, through their Attorneys, addressed a final letter to the PA wherein they were advised that:

Directors: Dr. J.A.J. Schalch (Chairman)* R.W. Killops* K.I. Vennell* M. Hankins*
*Non-Executive "Swiss"

Liquidators:

**H Kaplan (First City
Katheho)**
Honey Chambers
Kenneth Kaunda Drive
Bloemfontein

**NAG Omar (Khammissa
Attorneys)**
98 Doreen Street
Pretoria

Wn Jacobs (Mayibuye Trust)
157 Waggel Street
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- 6.1 The Liquidators would notify the proposer of the Compromise Offer that they were no longer in a position to proceed with the Compromise Offer as they did not have any direction from the PA; and
- 6.2 The liquidators would proceed to finalise all outstanding issues and bring about a final liquidation of SaXum without the Compromise Offer.
7. No response was received from the PA and the Liquidators therefore proceeded to inform the Proposer of the Compromise Offer that they notified the PA that they would not be proceeding with the compromise offer and that instead, the liquidators would be moving towards finalising all outstanding issues in the winding-up of SaXum. The Liquidators, however gave the Proposer the option to communicate with the PA themselves and that, if they were willing to revive the Compromise, the Liquidators would still be willing to proceed therewith.
 - 7.1 The Proposer provided feedback in that they agreed that any progress appeared to be remote;
 - 7.2 They therefore, by implication, indicated that they were not willing to revive the Compromise.
8. The events as set out above, is a very disappointing outcome for the Liquidators, as they worked diligently for the past couple of years to facilitate this Compromise Offer which would have benefited the general body of creditors. Unfortunately, the Liquidators could not and cannot, give effect to a Compromise Offer without the PA's, or its predecessor's, blessing and instructions.
9. Taking the above into account, the Liquidators will now be proceeding with the Liquidation of SaXum in the ordinary course.
 - 9.1 The first steps in this regard have already been taken, as the remaining employees, who were in the employ of the Liquidators on a Fixed Term basis, were given notice on 7 March 2019;
 - 9.2 The Liquidators are also in the process of closing down the SaXum Offices and will the Offices be closed by the end of March 2019;
 - 9.3 As part of the Liquidation process in the ordinary course, the Liquidators will be obliged to enter into litigation against various parties and they are instructing their Attorneys accordingly; and
 - 9.4 As such, the Liquidation will take time to finalize and therefore the Liquidators are applying for the Extension as referred to in paragraph 4above.
10. The Liquidators will work diligently in order to expedite the finalization of this process, and to do so in the best interests of the general body of creditors.
11. The Liquidators therefore request creditors to remain patient, as a further Circular will be published once progress has been made.
12. Should you have a query we ask that you email your query to claimslig@saxuminsurance.com .

Yours faithfully,

PER: H. KAPLAN N.O.

N.A.G. OMAR N.O.

W.N. JACOBS N.O.

(sent electronically without signature)