

## BUSINESS RESCUE LICENSE EXAM PLUS PREPARATION CONTENT

### 1. Introduction to Business Rescue and Important Definitions

- The concept of business rescue
- The rescue landscape prior to the introduction of the new business rescue legislation
- Overview of judicial management and its shortcomings
- The "corporate rescue" trend and international examples
- Summary of the key features of business rescue
- Introduction to Chapter 6 of the Companies Act and Important definitions

### 2. Grounds for Commencement of Business Rescue Proceedings

- Recap of Chapter 6 of the Companies Act 71 of 2008
- The Objectives of business rescue
- The grounds for commencement of business rescue
- Persons who will be forewarned of financial distress

### 3. Commencement by Board Resolution

- Overview of the entry points into business rescue proceedings
- Voluntary business rescue proceedings commenced by board resolution
- Grounds for the Commencement of business rescue by the board of directors
- Pre-assessment of affairs, business, and prospects of the company
- Two restrictions on the resolution to commence Business Rescue
- Setting aside the resolution commencing business rescue

### 4. Commencement of Business Rescue proceedings by Order of Court and the duration of Business Rescue

- Compulsory commencement – Section 131 of the Companies Act
- The "reasonable prospect for rescuing the company" test
- The duration and termination of business rescue proceedings

### 5. Legal consequences of Business Rescue Proceedings: The General Moratorium on legal proceedings and the Protection of Property Interests

- Compulsory Overview of the time lines in business rescue
- General moratorium on legal proceedings – section 133
- Exceptions to the moratorium
- Benefit of the moratorium
- Sureties and guarantees by the company
- Protection of property interests

### 6. Legal consequences of Business Rescue proceedings: Effects on Employment and Other Contracts

- Effect of business rescue on employees
- The status and participation of employees
- Effect of business rescue on contracts
- Suspension or cancellation of contracts

### 7. Post Commencement Finance

- Overview of post-commencement finance
- Sources of post-commencement finance
- Types of post-commencement finance
- The ranking of post-commencement finance - in business rescue
- The ranking of post-commencement finance – in a liquidation scenario post-business rescue

### 8. Legal consequences – The effects on Shareholders, Directors and Creditors

- The effect of business rescue on shareholders
- The role and obligations of directors during business rescue
- The role and treatment of creditors during business rescue
- The first meeting of creditors



## BUSINESS RESCUE LICENSE EXAM PLUS PREPARATION CONTENT (Continued)

### 9. The Business Rescue Practitioner: Qualifications and Appointment

- The role and appointment of Business Rescue Practitioners
- The Qualifications of Business Rescue Practitioners
- The Remuneration of Business Rescue Practitioners
- The Removal of Business Rescue Practitioners

### 10. The Business Rescue Practitioner: Power, Duties and Liabilities

- The Recap of the role of the business rescue practitioner
- Duties of the business rescue practitioner
- Management powers of the business rescue practitioner
- Investigative powers of the business rescue practitioner
- Liabilities of the business rescue practitioner

### 11. The Business Rescue Plan

- The content of business rescue plans and essential clauses
- The consideration of and voting on the business rescue plan
- The implementation of the business rescue plan
- Failure to adopt the business rescue plan
- The discharge of debts and claims

### 12. Compromise with Creditors in terms of Section 155

- The content of business rescue plans and essential clauses
- The consideration of and voting on the business rescue plan
- The implementation of the business rescue plan
- Failure to adopt the business rescue plan
- The discharge of debts and claims

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