



(UNDER BUSINESS RESCUE)
31 Spanner Road
Clayville
Olifantsfontein
1666

24 March 2026

COMMITTEE OF EMPLOYEES

SAEWA

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DAYBREAK FOODS // RETRENCHMENT PROCESS

1. We refer to the above matter and the most recent consultation which was held on 20 March 2026 with the Employees Committee at the Company's head office in Olifantsfontein.
2. The meeting was open to all employees to join via Teams. The meeting attendance was positive with in excess of 500 employees attending online.
3. A number of questions were raised and answered. The primary questions related to the payment of stipends for the month of March 2026, as well as the next steps that employees are required to take after having received their termination notices.
4. We deal with these issues more fully herein below.

Payment of Stipend

5. On 04 March 2026, the BRP addressed a circular to all employees in reply to the various issues raised by the committee on the draft Termination Notices.

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6. In the said circular, employees were advised that the Company has ceased all stipend payments, having regard to the fact that the retrenchment process would be finalised during March 2026. Employees are, accordingly, aware that stipend payments will no longer be made.
7. The retrenchment process is drawing to a close with all of the non-operational stipend employees having received their Termination Notices.
8. The Company simply cannot afford to continue making stipend payments. Employees may, however, obtain temporary relief by applying for unemployment insurance benefits and liquidating their provident funds, should they wish to do so.
9. The BRP remains confident that the Reactivation Phase of the Company's business rescue proceedings will be implemented successfully and speedily.
10. Upon the restart of the first abattoir, the Company will re-employ hundreds of employees in order to mitigate the negative impact of the retrenchment process.

Steps Post-Termination Notices

11. Employees enquired clarity on the steps that must be followed post-receipt of their Termination Notices.
12. In order to assist employees in this regard, the HR Team is in the process of preparing a brochure which will be distributed to all affected employees.
13. The brochure will contain all the relevant information which employees will require post-termination of their employment.
14. It will, *inter alia*, address the following:
 - 14.1. Steps in claiming UIF benefits and the assistance that the HR Team will provide to employees;
 - 14.2. Steps in liquidating or transferring provident fund benefits and the assistance which will be provided to employees;
 - 14.3. Counselling services which the Company will provide to assist affected employees during this difficult period;

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- 14.4. Contact details to which employees may address any queries they may have; and
- 14.5. All other post-termination assistance and support that the Company will provide.

Publication of Further Business Rescue Plan

- 15. In the various consultations held during the course of the retrenchment proceedings, affected employees requested clarity on the manner in which their retrenchment packages will be paid.
- 16. Employees were advised that the payment of retrenchment packages, as well as the claims of the remaining classes of creditors, will be dealt with more fully in the further Business Rescue Plan which the Company will publish.
- 17. At the meeting held on 20 March 2026, employees were advised that the publication of the further Plan is reliant on, *inter alia*, the following factors:
 - 17.1. The conclusion of the SEP process and the outcome thereof; and
 - 17.2. Finalising the technical assessments on the abattoirs to determine the most viable option as part of the Reactivation Phase of the Company's business rescue proceedings.
- 18. We confirm that the SEP process is at an advanced stage. The bidders have submitted their offers.
- 19. The BRP has addressed these offers to the Company's shareholders and other stakeholders for consideration.
- 20. Once the BRP obtains clarity from these parties, he will be in a position to implement the correct strategy that will be set out in further Plan.
- 21. The technical assessments at both the Sundra and Delmas plants are underway and progressing well. These assessment should be completed by mid April 2026.
- 22. Having regard to the aforesaid, the preliminary indications are that the further Plan will be published toward the end of May 2026 for affected parties consideration and voting.
- 23. Naturally, the employees will be required to participate in the voting process to the extent of the value of their claims against the Company.



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Retrenchment Process of Operational Divisions

24. The final step in the retrenchment process is the conclusion of the operational division labour rationalisation.
25. In this regard, the Employees Committee has undertaken to provide the Company with a revised proposed operational structure for the Hatchery, Breeder and Head Office Operations by Tuesday, 24 March 2026.
26. The BRP will consider the proposed structure in finalising the retrenchment process of these divisions. The BRP trusts that this process should be concluded by Friday, 27 March 2026.

Conclusion

27. The BRP and his Team takes this opportunity to thank the Employees Committee and all employees who participated in this process.
28. The retrenchment process should be finalised by 27 March 2026.
29. The HR Team will circulate the information brochure by Wednesday, 25 March 2026.
30. We trust that you find the above in order.

Tebogo Maoto

Senior Business Rescue Practitioner