



**SOUTH AFRICAN AIRWAYS**

South African Airways  
Airways Park, Jones Road  
OR Tambo International Airport  
Johannesburg, South Africa

Private Bag X13  
OR Tambo International Airport  
1627

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**South African Airways (SOC) Limited (in business rescue)**

**Registration number 1997/022444/30**

**(“SAA”, “The Company”)**

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**October 2020**

**Report to the Companies and Intellectual Property Commission**

**and to all Affected Persons**

**In terms of section 132(3)(a) of the Companies Act 71 of 2008 (“Act”)**

Prepared by:

**Leslie Matuson and Siviwe Dongwana**  
**Joint Business Rescue Practitioners (“BRPs”)**

**Directors**

TN Mgoduso (Interim Executive Chairperson), DJ Fredericks (Interim Chief Financial Officer, MP Tshisevhe\*

\*Non-Executive Director

Company Secretary – RN Kibuuka

South African Airways SOC Ltd

Reg. No. 1997/022444/30

A STAR ALLIANCE MEMBER 

## 1. Introduction

1.1. In terms of section 132(3) of the Companies Act 71 of 2008 (“Act”), if a company’s business rescue proceedings have not ended within three (3) months after the start of those proceedings, or such longer time as the court, on application by the practitioner, may allow, the practitioner must –

1.1.1. prepare a report on the progress of the business rescue proceedings, and update it at the end of each subsequent month until the end of those proceedings; and

1.1.2. deliver the report and each update in the prescribed manner to each affected person, and to the:

1.1.2.1. Court, if the proceedings have been the subject of a court order; or

1.1.2.2. Commission, in any other case.

1.2. Therefore, as required, this **Eighth Update Report** is being tabled in terms of section 132(3)(a).

## 2. Since the Seventh Update Report of September 2020

### 2.1. Business Rescue Plan

2.1.1. On 28 October 2020, the Minister of Finance appropriated R10.5bn in funding for South African Airways in his Medium Terms Budget Policy Statement. These funds will allow for the restructuring of the Company as well as the resumption of operations. The funds are expected to flow to the Company by mid-January 2021.

2.1.2. The BRPs have been actively engaging with various lenders to determine whether Bridge Funding can be raised between now and January 2021 in order to allow for funding to be made to the Company to allow the finalization of the restructure and potentially the resumption of operations.

2.1.3. The discussions with potential funders are ongoing as are discussions with the Department of Public Enterprises around the utilization of the funds when they are made available.

2.1.4. Following the notice to affected parties issued on 29 September 2020, operations of SAA have remained suspended due to the lack of funding.

2.1.5. The final s189A consultation as mediated by the CCMA was held on 3 October 2020. Bi-lateral discussions have continued between the Company and various

labour bodies in order to discuss and finalise any remaining issues in respect of organizational structures, selection criteria and terms and conditions of employment. These discussions have been concluded with all parties other than SAAPA and close out letters have been issued.

**2.1.6.** Following numerous engagements and negotiations with SAAPA, a deadlock has resulted in the lodging of a dispute with the CCMA on 31 October 2020 in respect of the following aspects:

**2.1.6.1.** The termination of the Regulating Agreement;

**2.1.6.2.** New terms and conditions of employment for pilots; and

**2.1.6.3.** New salary structures for pilots

**2.1.7.** In respect of the aircraft leases, Early Termination Agreements have been signed in respect of all 40 leased aircraft.

## **2.2. Operations**

**2.2.1.1.** No commercial operations took place during the month of October 2020.

## **3. Proof of Claims**

**3.1.** Many claims have been lodged with the BRPs for proof but there still remains a large number of claims outstanding and creditors who have yet to submit their claims are encouraged to do so before the publication of the plan.

**3.2.** Claims can be submitted via the online form, which can be found on [www.matusonassociates.co.za/saa](http://www.matusonassociates.co.za/saa). A claim form has been provided ([Manual Claim Form](#)) for those unable to complete the online form.

**3.3.** A mechanism for the resolution of disputed claims will be included in the plan, unless any dispute can be resolved between the BRPs and the creditor.