



South African Airways
Human Resources
6th Floor, Block C
Airways Park

Private Bag X13
OR Tambo International Airport
Republic of South Africa

8 June 2020

Dear Sirs

REQUEST BY UNIONS FOR CONSENT TO AN EXTENSION IN RESPECT OF THE PUBLICATION OF THE BUSINESS RESCUE PLAN OF SOUTH AFRICAN AIRWAYS SOC LIMITED (IN BUSINESS RESCUE) (“SAA”) IN TERMS OF S150 (5) OF THE COMPANIES ACT, NO 71 OF 2008 (“Companies Act”)

Introduction

1. We address this letter to you as the joint business rescue practitioners of SAA (“practitioners”).
2. In terms of s150 (5) of the Companies Act, the business rescue plan (“plan”) must be published within 25 business days after the date on which the practitioners were appointed, or such longer time as may be allowed by the court or the holders of a majority of the creditors’ voting interests.
3. On 20 December 2020, the practitioners requested and were duly granted an extension to 28 February 2020 for the publication of the plan.
4. On 28 February 2020, the practitioners requested and were duly granted a further extension to 31 March 2020 for the publication of the plan.
5. On 20 March 2020, the practitioners requested and were duly granted a further extension to 29 May 2020 for the publication of the plan (“20 March Request”).
6. On 28 May 2020, the practitioners requested and were duly granted a further extension to 8 June 2020 for the publication of the plan (“28 May Request”).
7. On 5 June 2020 the practitioners received a letter from the attorneys of three unions representing a majority of the employees of SAA requesting that the publication date of 8 June 2020 be extended to 15 June 2020. A copy of this letter is attached for ease of reference.
8. For the reasons set out below, a further extension for the publication of the plan in terms of section 150 (5) of the Companies Act is requested.

The reasons for the request for an extension in respect of the publication of the plan

9. We refer to the prior extension requests and the various update notices furnished to affected persons regarding SAA’s business rescue proceedings.

10. Subsequent to the 28 May extension request being approved by creditors the practitioners distributed the draft business rescue plan to the employees and creditors committees' chairpersons for distribution to their members. The consultations with the respective committees were scheduled for Thursday, 4 June 2020 with the intention of incorporating their submissions into the business rescue plan for publication.
11. The practitioners have been consulting on the plan with various stakeholders and to this end have had meaningful engagements with the creditors' committee on various aspects of the draft plan that was distributed to the creditors' and employees' committees.
12. The employees' committee members decided that they would not want to consult on the draft plan in that forum but rather through the Leadership Compact Forum ("LCF") that was set up by the Department of Public Enterprises ("the Department") and sent the practitioners correspondence to that effect. This consultation has not occurred.
13. On 5 June 2020, Minnaar Niehaus Attorneys who represent NUMSA, SACCA and SAAPA wrote to the practitioners objecting to the publication of the business rescue plan on 8 June 2020 pending further engagements in the LCF on the draft business rescue plan and have requested an extension until 15 June 2020 for the publication of the business rescue plan.
14. The practitioners have had ongoing engagements with the Department regarding their submissions on the plan and the current outcome of the LCF engagements in relation to the employees and these have been incorporated into the business rescue plan that is **ready for publication on 8 June 2020**.
15. However, the practitioners thought it would not be appropriate to proceed with the publication of the business rescue plan without conveying the request of the unions that represent a majority of the SAA employees. Should such request be approved the practitioners will do everything possible to limit the negative impact of the extension of the publication date.

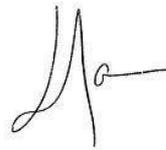
The requested extension in respect of the publication of the plan

16. As advised previously, the published plan will be considered at the meeting of creditors (and the shareholder to the extent that the rights of the shareholder will be altered by the plan), convened in terms of section 151 of the Companies Act, who will decide whether to adopt or reject the plan or require the practitioners to revise the plan.
17. In addition, the extension will not stop the practitioners from taking the necessary steps to progress SAA's business rescue and the practitioners will continue taking proactive steps in light of the current crisis to conserve cash in SAA and to protect the interests of SAA.
18. Accordingly, the creditors' consent to an extension for the publication of the plan to **Monday, 15 June 2020** is requested. The practitioners will, however, endeavour to publish the plan as soon as they are in a position to do so and will keep creditors updated on the progress of the development of the plan. Moreover, the extension will not stop the practitioners from continuing to take the necessary steps to progress SAA's business rescue and will continue taking proactive steps in light of the current crisis to conserve cash in SAA and to protect the interests of SAA.
19. Kindly vote for or against the extension, as requested above, via email to creditors@saabusinessrescue.co.za before close of business on **Monday, 8 June 2020**.

Yours faithfully



Siviwe Dongwana
Business Rescue Practitioner



Les Matuson
Business Rescue Practitioner