To all Affected Persons

26 June 2020

NOTICE TO AFFECTED PERSONS OF SOUTH AFRICAN AIRWAYS (SOC) LIMITED (“THE COMPANY”) REGARDING OUTCOME OF THE MEETING OF CREDITORS AND OTHER HOLDERS OF A VOTING INTEREST IN TERMS OF SECTION 151 OF THE COMPANIES ACT 71 OF 2008, AS AMENDED (“THE COMPANIES ACT”)

1. We confirm that the meeting in terms of section 151 of the Companies Act was convened on Thursday, 25 June 2020 by the joint business rescue practitioners (“BRPs”) of the Company for purposes of considering and voting on the published business rescue plan (“the Plan”).

2. At the meeting NUMSA, SACCA and SAAPA in terms of the rights conferred to them by section 144 (3) (e), section 144(3) (f), section 152 (1) (c) and section 152 (1) (d) (ii) of the Companies Act, proposed that affected persons present at the section 151 meeting conduct a vote on the following motion:

2.1. That the BRPs adjourn the current section 151 meeting until 14 July 2020 and that they be directed to amend the current, proposed Plan which should be published no later than 7 July 2020.

3. The reasons advanced for the aforesaid motion were as follows:

3.1. “A short two week adjournment will have no effect on the financial state nor going concern status of SAA and should not lead to liquidation, as has been threatened.

Directors
TN Mgoduso (Acting Chairperson), ZM Ramasia (Acting Chief Executive Officer), DJ Fredericks (Interim Chief Financial Officer), AH Moosa*, Al Bassa*, HP Maluleka*, G Rothschild*, MP Tshisevhe*

*Non-Executive Director
Company Secretary – RN Kibuuka

South African Airways SOC Ltd Reg. No. 1997/022444/30
3.2. The Plan as published does not come into operation before 15th July 2020 so an adjournment to a date before 15 July would result in SAA continuing in the intervening period in exactly the same manner as it would if the vote was passed.

3.3. The BRPs could use this period to amend the plan to address the plan’s deficiencies, continue negotiations with stakeholders to satisfy the conditions, including consulting Labour and Creditors and to thereafter publish an amended plan that meets the requirements of the act, has fewer conditions and provides greater certainty for affected persons.

3.4. An adjournment will also allow creditors sufficient time to review and consider the amendments to the plan published at or around 10pm last night.

3.5. An adjournment will in our opinion have no detrimental effects or consequences for the Company, the creditors nor the employees whilst it has many positive effects."

4. The BRPs afforded all affected persons the opportunity to consider the motion tabled by NUMSA, SACCA and SAPPA, and for them to submit their votes regarding the adjournment.

5. All affected persons present at the meeting voted regarding the motion to adjourn the section 151 meeting to 14 July 2020 and the votes were as follows:

5.1. 69% of affected persons present at the section 151 meeting voted in favour of the adjournment of the section 151 meeting to 14 July 2020; and

5.2. 31% of affected persons present at the section 151 meeting voted against the adjournment of the section 151 meeting to 14 July 2020.

6. Notice is hereby given to all affected persons of the Company that the section 151 meeting has been adjourned to 14 July 2020.

7. Further take note that, the BRPs will be communicating the effects of the adjournment and their position to all affected persons in due course.

Joint Business Rescue Practitioners of South African Airways (SOC) Limited