



South African Airways
Chairperson of the Board (Acting)
Ms TN Mgoduso

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

Private Bag X13
OR Tambo International Airport, 1627

Tel: +2711-978-2763
Fax: +2711-978-6055

Email: Chairperson@flysaa.com

To: Affected Persons

Date: 12 December 2019

RE: SOUTH AFRICAN AIRWAYS (SOC) LIMITED (IN BUSINESS RESCUE)

1. You are hereby notified, in accordance with Section 129 of the Companies Act 71 of 2008 (as amended) (“the Companies Act”), that the board of Directors of South African Airways (SOC) Limited (“the Company”) adopted a resolution on 5 December 2019, in terms of which the Company voluntarily commenced business rescue proceedings.
2. Accordingly, a form CoR 123.1, being a Notice of Beginning of Business Rescue Proceedings, as contemplated in section 129 of the Companies Act was filed with the Companies and Intellectual Property Commission (“the Commission”) on 5 December 2019.
3. The Company appointed Leslie Matuson to be its business rescue practitioner on 5 December 2019 and the form CoR 123.2, being a Notice of Appointment of the Business Rescue Practitioner, as contemplated in section 129 (b) of the Companies Act was filed with the Commission on 5 December 2019.
4. In accordance with the requirements of Sections 129 (3) (a) and 129 (4) (b) of the Companies Act, we attach copies of the following documents:
 - 4.1. the notice to commence business rescue proceedings, form CoR 123.1, filed with the Commission;

Directors

TN Mgoduso (Interim Executive Chairperson), ZM Ramasia (Acting Chief Executive Officer), DJ Fredericks (Interim Chief Financial Officer), AH Moosa* (Independent Lead Director), Al Bassa*, ML Kingston*¹, HP Maluleka*, G Rothschild*, MP Tshisevhe*

*Non-Executive Director
¹ British Citizen

Company Secretary – RN Kibuuka

South African Airways SOC Ltd


Reg. No. 1997/022444/30

A STAR ALLIANCE MEMBER 

- 4.2. the resolution passed by the board of Directors of the Company;
- 4.3. a sworn statement of the facts relevant to the grounds on which the board resolution was founded; and
- 4.4. the notice of appointment of the business rescue practitioner, CoR123.2 form filed with the Commission.

5. If you have any queries, please do not hesitate to contact us at creditors@saabusinessrescue.co.za

Regards

A handwritten signature in black ink, appearing to be 'L. Matuson', with a horizontal line extending to the right from the end of the signature.

Leslie Matuson

Business Rescue Practitioner of South African Airways (SOC) Limited

111910477

Companies and Intellectual Property Commission
Republic of South Africa

Form CoR 123.1

About this Form

- This form is issued in terms of section 129 and 131 of the Companies Act, 2008, and Regulation 123 of the Companies Regulations, 2011.
- A company resolution to committee business rescue proceedings has no force or effect until it has been filed with this notice.
- This notice must be published to every affected person within 5 business days after -
 - (a) it has been filed, in the case of a resolution; or
 - (b) The date of the court order, in such a case.
- If this Notice is issued following a board resolution-
 - (a) The company must appoint a business rescue practitioner with 5 business days after filing this notice ; and
 - (b) Any affected person may apply to a court in terms of section 130 for an order setting aside the resolution.
- The fee for filing this notice is R0.

Contacting the Commission

The Companies and Intellectual Property Commission of South Africa

Postal Address
PO Box 429
Pretoria
0001
Republic of South Africa
Tel: 086 100 2472

www.cipc.co.za

Notice of Beginning of Business Rescue Proceedings

Date: 5 December 2019

Customer Code: ENF001

Concerning

(Name and Registration Number of Company)

Name: SOUTH AFRICAN AIRWAYS (SOC) LIMITED

Registration No: 1997/022444/30

The above named company advises that business rescue proceedings have commenced in terms of Chapter 6 of the Companies Act, as a result of:

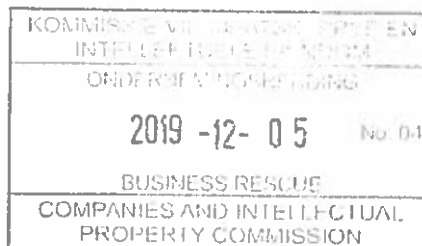
- The Board of the company having adopted the attached resolution in terms section 129, on 5 December 2019
- A Court having made the attached order in terms of section 131, on _____

In terms of section 132 (1)(a), the company's business rescue proceedings commenced on 5 December 2019, being the date on which:

- This notice was filed with the Commission.
- The court issued the attached order.

(Only in the case of a company resolution)

In support of this Notice, the company has attached a sworn statement of the relevant facts upon which the resolution was founded by a director representing the Board.



Name and Title of person signing on behalf of the Company:

AKHTER HOUSEN MOOSA (NON EXECUTIVE DIRECTOR)

Authorised Signature:

Akhter Hosen Moosa

**RESOLUTION PASSED AT A MEETING OF THE BOARD OF DIRECTORS OF
SOUTH AFRICAN AIRWAYS (SOC) LIMITED
(REGISTRATION NUMBER 1997/0224444/30)
("THE COMPANY")**

HELD ON THE 5TH OF DECEMBER 2019 BY ROUND ROBIN

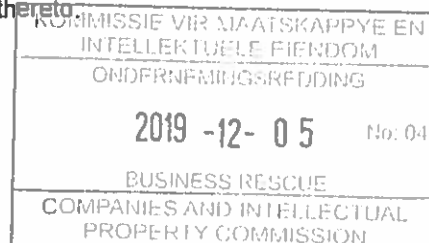
PRESENT:

Directors:

A. Bassa, M. L. Kingston, P.H. Maluleka, T. N. Mgoduso, D. J. Fredericks, Z. Ramasia, A.H. Moosa, G. Rothschild and P.M. Tshisevhe

IT WAS RESOLVED THAT:

1. As the company is unable to pay certain of its debts and as it appears to be reasonably unlikely that the Company will be able to pay all of its debts as they become due and payable within the immediately ensuing six months, the Company is therefore financially distressed within the meaning of Section 129 (1) (a) of the Companies Act 71 of 2008, as amended ("the Act").
2. As there appears to be a reasonable prospect of rescuing the Company in terms of Section 129 (1) (b) of the Act and/or if it not possible for the Company to so continue in existence, there exists a reasonable prospect that Business Rescue Proceedings will result in a better return for the Company's creditors or shareholders, than would result from the immediate liquidation of the Company, the Company should begin voluntary business rescue proceedings in terms of Section 129 of the Act.
3. Akhter Hoosen Moosa , in his capacity as a director of the Company, be and is hereby authorised to appoint one or more Business Rescue Practitioners of the Company in terms of Section 129 (3) (b) of the Act and is further authorised to sign any such documents required and which are ancillary to the business rescue proceedings and to appoint attorneys to lodge the application for voluntary business rescue proceedings in terms of section 129 of the Act and to lodge any documents required to give effect thereto



Certified a true copy of the extracts of the minutes of the meeting.

A BASSA

Director

M L KINGSTON

Director

PH MALULEKA

Director

TN MGODUSO

Director

D J FREDERICKS Director

Quamocep

AH MOOSA

Director

G ROTHSCHILD

Director

PM TSHISEVHE

Director

Z. RAMASIA

Director



PP
am

Certified a true copy of the extracts of the minutes of the meeting.

A BASSA

Director



M L KINGSTON

Director

PH MALULEKA

Director

TN MGODUSO

Director

D J FREDERICKS Director

AH MOOSA

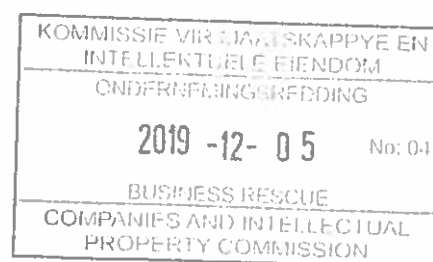
Director

G ROTHSCHILD

Director

PM TSHISEVHE

Director



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A BASSA
Director

M L KINGSTON
Director

PH MALULEKA
Director

TN MGODISO
Director

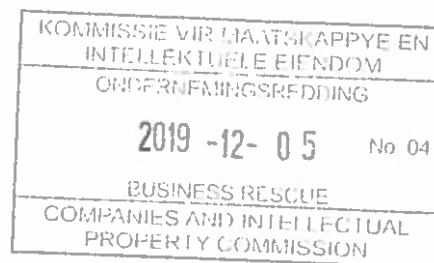
D J FREDERICKS Director

AH MOOSA
Director

G ROTHSCHILD
Director

PM TSHISEVHE
Director

Z. RAMASIA
Director



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PH MALULEKA
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TN MGODUSO
Director

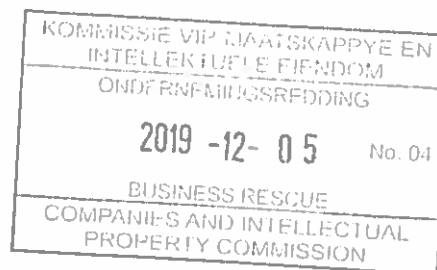

D J FREDERICKS Director

AH MOOSA
Director

G ROTHSCHILD
Director

PM TSHISEVHE
Director


Z. RAMASIA
Director



Certified a true copy of the extracts of the minutes of the meeting.

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M L KINGSTON

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D J FREDERICKS Director

AH MOOSA

Director

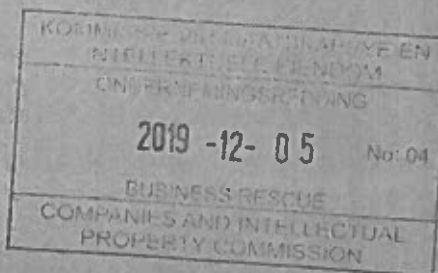


G ROTHSCILD

Director

PM TSHISEVHE

Director



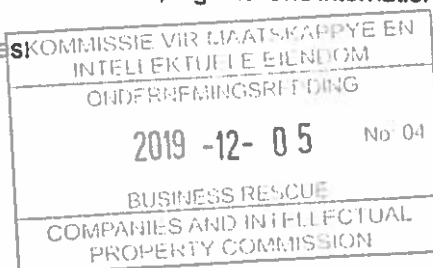
SWORN STATEMENT IN TERMS OF SECTION 129 (3) (a) OF THE COMPANIES ACT 71 OF 2008 ("THE COMPANIES ACT"), AS AMENDED, IN RELATION TO THE SUPERVISION AND BUSINESS RESCUE PROCEEDINGS OF SOUTH AFRICAN AIRWAYS (SOC) LIMITED (REGISTRATION NUMBER: 1997/022444/30)

I, the undersigned,

AKHTER HOUSEN MOOSA IDENTITY NUMBER: 5207295134080

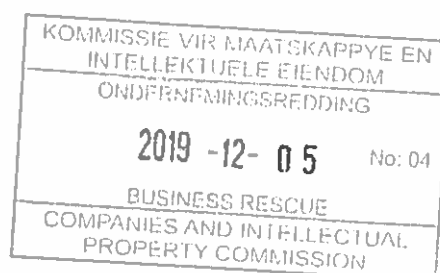
Do hereby make oath and say that -

1. I am a director of South African Airways Limited (SOC) (Registration Number 1997022444/30) ("the Company"), a company with its registered address at Airways Park, 32 Jones Road, Kempton Park, Johannesburg.
2. The facts and allegations herein contained are, save where the context indicates a contrary intention or where I state it to the contrary, within my own personal knowledge and are to the best of my knowledge and belief both true and correct.
3. On 5 December 2019, the board of directors of the Company ("the Board") passed a resolution for the Company to be placed under Business Rescue in terms of Section 128 as read with Section 129 of the Companies Act ("the Resolution").
4. As appears from the Resolution I am authorised to represent the Company in this regard and to sign all required documents to give effect to the Business Rescue resolution. I am thus authorised to represent the Company to make this affidavit on its behalf. A copy of the Resolution is attached marked "A".
5. The Company holds investments in various subsidiaries and currently operates as a national airline carrier servicing various domestic, regional and international routes and has approximately 5 421 employees.



AKHTER

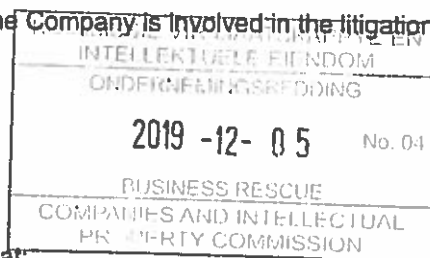

6. The Board passed the Resolution on the basis that the Board has reasonable grounds to believe that:
- 6.1. the Company is financially distressed; and
 - 6.2. there appears to be a reasonable prospect of rescuing the Company.
7. The Company is financially distressed in that it appears to be reasonably unlikely that the Company will be able to pay all of its debts as they become due and payable within the immediately ensuing six months.
8. The Company is illiquid and is under immense financial distress. It is the Board's view that the lack of adequate recapitalisation of the Company has ultimately led to the current financial distress. The financial situation was made even worse by the following:
- 8.1. The confirmation by the Company's shareholder that it would no longer support the Company financially, in the manner that it had previously done;
 - 8.2. The industrial action that occurred over an eight day period which had the effect of severely hampering the cashflow of the Company;
 - 8.3. The Company lost significant revenue during a period where the Company should have been ramping up to its busiest period;
 - 8.4. The issuing of an application to commence business rescue proceedings by one of the trade unions and the adverse publicity in the media shortly after the industrial action was resolved had the following consequences:
 - 8.4.1. the withdrawal of travel insurance by various insurers;
 - 8.4.2. various travel agents halted the sale of SAA tickets to their customers; and



Handwritten signature

8.4.3. customers that had already booked flights started cancelling their flights and requesting refunds.

9. This has adversely affected the Company's cash-flow and which has therefore caused the Company to become illiquid. The Company is not able to pay its creditors and will not be able to pay its debts over the immediately ensuing six months.
10. The belief of the Board is that there appears to be a reasonable prospect of rescuing the Company, as set out in section 129 of the Companies Act, in that the Company is in the process of negotiating post commencement funding ("PCF") of ZAR2 billion from its current lenders which will be backed by a government guarantee to enable the business rescue proceedings to commence and a rescue plan to be developed. This PCF will be utilised to stabilise the Company, preserve the various assets of the Company and save as many jobs as is sustainably feasible.
11. In any event because of the nature of assets of the Company and the nature of business of the Company, if the Company is not able to continue in existence, a sale of its assets or business under business rescue will result in a better return for the Company's creditors or shareholder than would result in the immediate liquidation of the Company.
12. The Company is involved in the litigation as set out in its litigation schedule.




Akhter Hoosen Moosa

AKHTER HOUSEN MOOSA

I certify that:

- I. the Deponent acknowledged to me that :
 - A. He knows and understands the contents of this declaration;
 - B. He has no objection to taking the prescribed oath;
 - C. He considers the prescribed oath to be binding on his conscience.
- II. the Deponent thereafter uttered the words, "I swear that the contents of this declaration are true, so help me God".
- III. the Deponent signed this declaration in my presence at the address set out hereunder on 5 December 2019.



COMMISSIONER OF OATHS

Designation and Area:

Full Names:

Street Address:

Lucien Pierce
 Practising Attorney
 Unit 12, Ground Floor, Oakhurst Building
 13 St Andrews Road, Parkdown, 2193, JHB
 Tel: +27 11 447 0934 Fax: +27 11 880 0580
 Cell: 083 294 0920
 Email: lucienp@ppmatomeys.co.za

KOMMISSIE VIR MAATSKAPPYE EN INTELLEKTUELE EIENDOM	
ONDERNEMINGSREDDING	
2019 -12- 05	No: 04
BUSINESS RESCUE	
COMPANIES AND INTELLECTUAL PROPERTY COMMISSION	

Lucien


“A”

RESOLUTION PASSED AT A MEETING OF THE BOARD OF DIRECTORS OF
SOUTH AFRICAN AIRWAYS (SOC) LIMITED
(REGISTRATION NUMBER 1997/022444/30)
("THE COMPANY")

HELD ON THE 5TH OF DECEMBER 2019 BY ROUND ROBIN

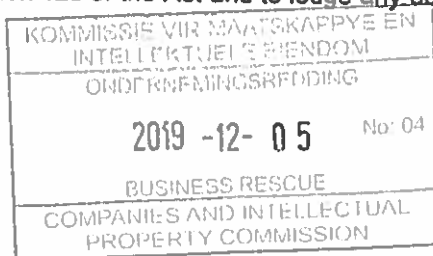
PRESENT:

Directors:

A. Bassa, M. L. Kingston, P.H. Maluleka, T. N. Mgoduso, D. J. Fredericks, Z. Ramasia,
A.H. Moosa, G. Rothschild and P.M. Tshisevhe

IT WAS RESOLVED THAT:

1. As the company is unable to pay certain of its debts and as it appears to be reasonably unlikely that the Company will be able to pay all of its debts as they become due and payable within the immediately ensuing six months, the Company is therefore financially distressed within the meaning of Section 129 (1) (a) of the Companies Act 71 of 2008, as amended ("the Act").
2. As there appears to be a reasonable prospect of rescuing the Company in terms of Section 129 (1) (b) of the Act and/or if it not possible for the Company to so continue in existence, there exists a reasonable prospect that Business Rescue Proceedings will result in a better return for the Company's creditors or shareholders, than would result from the immediate liquidation of the Company, the Company should begin voluntary business rescue proceedings in terms of Section 129 of the Act.
3. Akhter Hoosen Moosa , in his capacity as a director of the Company, be and is hereby authorised to appoint one or more Business Rescue Practitioners of the Company in terms of Section 129 (3) (b) of the Act and is further authorised to sign any such documents required and which are ancillary to the business rescue proceedings and to appoint attorneys to lodge the application for voluntary business rescue proceedings in terms of section 129 of the Act and to lodge any documents required to give effect thereto.



Handwritten signature

Certified a true copy of the extracts of the minutes of the meeting.

A BASSA

Director

M L KINGSTON

Director

PH MALULEKA

Director

TN MGODUSO

Director

D J FREDERICKS Director

Amos

AH MOOSA

Director

G ROTHSCHILD

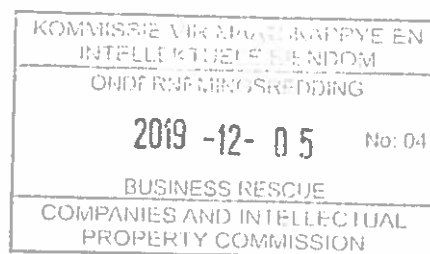
Director

PM TSHISEVHE

Director

Z. RAMASIA

Director



Amos
am

Companies and Intellectual Property Commission
Republic of South Africa

Form CoR 123.2

About this Form

- This form is issued in terms of sections 129 and 131 of the Companies Act, 2008, and Regulation 123 of the Companies Regulations, 2011.
- This notice must be published to every affected person within:
 - (a) 2 business days after it has filed, if the company appointed the Practitioner, or
 - (b) 5 business days after the court order, in such a case.
- If this notice is issued following a company appointment, any affected person may apply to a court in terms of section 130 for an order setting aside the appointment, or requiring the practitioner to provide security.
- The fee for filing this Notice is R0.

Contacting the Commission

The Companies and Intellectual Property Commission of South Africa

Postal Address
PO Box 429
Pretoria
0001
Republic of South Africa
Tel: 086 100 2472

www.cipc.co.za

Notice of Appointment of Business Rescue Practitioner

Date: 5 December 2019

Customer Code: ENF001

Concerning

(Name and Registration Number of Company)

Name: SOUTH AFRICA AIRWAYS (SOC) LIMITED

Registration No: 1997/022444/30

The above named company commenced business rescue proceedings on 5 December 2019

The following person has been appointed as the business rescue practitioner:
LESLIE MATUSON

By the company, in terms of section 129 (3)(b).

By the court, in terms of section 131 (5).



Name and Title of person signing on behalf of the Company:

AKHTER HOSEN MOOSA (NON EXECUTIVE DIRECTOR)

Authorised Signature:

Akhter Hosen Moosa


MATUSON
ASSOCIATES

5 December 2019

Dear Madam/Sir

RE: BUSINESS RESCUE PROCEEDINGS OF SOUTH AFRICAN AIRWAYS (SOC) LIMITED

1. The above matter refers.
2. I hereby accept your appointment as the business rescue practitioner of **SOUTH AFRICAN AIRWAYS (SOC) LIMITED** in terms of section 129 of the Companies Act 71 of 2008, as amended ("the Companies Act").
3. I have the capacity to carry out my functions and duties as a business rescue practitioner.
4. I am independent from the business and I am qualified to be appointed as a business rescue practitioner in terms of sections 138 (1) (a) and (b) of the Companies Act and I am not disqualified from being appointed as business rescue practitioner in terms of sections 138 (1) (c), (d), (e) and (f) of the Companies Act.
5. Please do not hesitate to contact me should you require any further information or require me to provide you with any further documentation to support my appointment.

Regards



Leslie Matuson



Matuson and Associates (Pty) Ltd | 2009/008967/07

Directors: Les Matuson | Piers Marsden | John Lightfoot

Oxford & Glenhove 114 Oxford Road Houghton Estate Johannesburg 2198 | P O Box 92796, Norwood, 2117

t: +27(0)11 728 7166 | f: +27(0) 86 554 9998 | w: www.matusonassociates.co.za