



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

TO ALL AFFECTED PERSON

15 JULY 2020

**SOUTH AFRICA AIRWAYS SOC LIMITED (IN BUSINESS RESCUE) (“THE COMPANY”)
NOTICE OF 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”) HELD ON 14 JULY 2020**

1. On 14 July 2020 the meeting of creditors and other holders of a voting interest, as contemplated in terms of section 151 of the Companies Act, was held in respect of the Company (“the Meeting”).
2. At the Meeting the outcome on the voting on the proposed amendments was as follows:
 - 2.1. 88% (eighty eight percent) of creditors, with a voting interest, voted in favour of the proposed amendments, which were incorporated into the business rescue plan prior to the voting on the business rescue plan with its amendments.
3. The outcome of the vote on the business rescue plan, incorporating the proposed amendments, at the Meeting was as follows:
 - 3.1. 86% (eighty six percent) of creditors, with a voting interest, voted in favour of the adoption of the plan as proposed by the business rescue practitioners, as amended (“the Plan”); and
 - 3.2. 85% (eighty five percent) of independent creditors (as defined in the Companies Act), with a voting interest, voted in favour of the adoption of the Plan.
 - 3.3. The remaining creditors with voting interests either rejected the Plan or abstained from voting.
4. In terms of section 152 (2) of the Companies Act, the proposed business rescue plan will be approved on a preliminary basis if:
 - 4.1. It has been supported by the holders of more than 75% (seventy five percent) of the creditors’ voting interest that were voted; and
 - 4.2. The votes in support of the proposed plan included at least 50% (fifty percent) of the independent creditors’ voting interest, if any, that were voted.

5. In light of the above votes cast at the Meeting, the business rescue practitioners hereby notify all creditors and holders of a voting interest, together with all other affected persons that the Plan has been approved and adopted in accordance with section 152 (3) (b) of the Companies Act.
6. Please note that the Plan is subject to the fulfilment of the conditions as set out in paragraph 42 of the Plan. We have attached at Annexure A the list of these conditions for ease of reference.

Should you have any queries regarding the above, please do not hesitate to contact the BRPs at creditors@saabusinessrescue.co.za.

Yours sincerely

The Business Rescue Practitioners of SAA

Annexure A

42. CONDITIONS FOR THE BUSINESS RESCUE PLAN TO COME INTO OPERATION AND BE FULLY IMPLEMENTED

42.1. As required in terms of section 150 (2) (c) (i) (aa) of the Companies Act, the Business Rescue Plan will come into operation upon the conditions listed below having been fulfilled:

42.1.1. The approval and adoption of the Business Rescue Plan in terms of section 152 of the Companies Act;

42.1.2. Approval of the Minister of Public Enterprises and the Minister of Finance (to the extent necessary), as executive authority for SAA, for the implementation of those aspects of the Business Rescue Plan which involve transactions requiring such approval in terms of section 54(2) of the PFMA, read with the Significance and Materiality Framework for SAA;

42.1.3. Approval of the Minister of Public Enterprises, as representative shareholder of SAA, for the implementation of those aspects of the Business Rescue Plan which involve transactions requiring such approval in terms of the Mol;

42.1.4. An agreement is reached with the employees, their respective Trade Unions and SAA on the reduction of headcount and revised terms and conditions as set out in paragraph 33 by 17 July 2020, failing which the section 189 process is continued with or a new 189 process is initiated by 22 July 2020;

42.1.5. Confirmation of Government's support and commitment to providing the requisite funding for the various commitments stipulated in paragraph 28 the Business Rescue Plan. This is to be evidenced by way of a letter of support from the Department of Public Enterprises with the concurrence of the Department of National Treasury. Such letter is to be received on or before 15 July 2020; and

42.1.6. The Government has provided confirmation satisfactory to the DBSA, PCF Bank Lenders and the Pre-commencement Lenders that the Guarantees issued to them in respect of the Pre-commencement Claims and the PCF provided by them to the Company (collectively, the **Lender Claims**) shall continue in full force and effect until the Lender Claims are discharged in full as contemplated in this Business Rescue Plan.

42.2. Should the conditions set out in paragraph 42.1 not be fulfilled by 22 July 2020, the Business Rescue Plan will be deemed unimplementable and a meeting of Creditors will be convened on 24 July 2020 for Creditors to consider amending the Business Rescue Plan, failing which

for the BRPs to discharge the Business Rescue. Such meeting will be convened in terms of section 151 of the Companies Act.

- 42.3. Prior to the meeting contemplated in paragraph 42.2 the BRPs will publish a report on the conditions fulfilled, if any, and the status of the conditions not yet fulfilled.
- 42.4. As required in terms of section 150 (2) (c) (i) (bb) of the Companies Act, Substantial Implementation will be deemed to have occurred upon fulfilment of the conditions as set out in paragraph 42.1 above.