

SAA BUSINESS RESCUE PLAN CONDITION FULFILMENT REPORT

1. In terms of the adopted business rescue plan (“the Business Rescue Plan”), the following terms and conditions were required to be fulfilled on or before 15 July and 22 July 2020 respectively:
 - 1.1. The approval and adoption of the Business Rescue Plan in terms of section 152 of the Companies Act **(Completed)**;
 - 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 **(Completed)**;
 - 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 **(Completed)**;
 - 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 **(Completed)**;
 - 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 **(Completed)**; and
 - 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 shall continue in full force and effect until the Lender Claims are discharged in full as contemplated in this Business Rescue Plan **(Outstanding)**.
2. All conditions set out in paragraph 42.1 were fulfilled on or before the respective deadline in terms of the Business Rescue Plan with the exception of 42.1.6.
3. The outstanding condition is in relation to the guarantee confirmation letter that is required by the Lenders, which was prepared and sent to Government for sign off. On 22 July 2020, the Lenders expressed their dissatisfaction with the form of the letter and engagements began between the Lenders, the Company and Government in relation to the final form of the letter, which was agreed on in the evening of 22 July 2020.
4. The guarantee confirmation letter has not yet been provided to the Company therefore we are required to convene the meeting as set out in paragraph 42.2 of the Business Rescue Plan.

5. The purpose of the meeting will be to amend paragraph 42.2 of the Business Rescue Plan as follows:

5.1. "Should the conditions set out in paragraph 42.1 not be fulfilled by 27 July 2020, the Business Rescue Plan will be deemed unimplementable and a meeting of Creditors will be convened on 30 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."

6. The BRPs are hopeful that they will receive the signed guarantee confirmation letter prior to the meeting scheduled for 24 July 2020.