



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

Private Bag X13
OR Tambo International Airport
1627

26 February 2020

Dear Sirs

REQUEST 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 (“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 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. For the reasons set out below, the practitioners require a further extension for the publication of the plan in terms of section 150(5) of the Act.

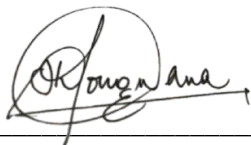
The reasons for the request for an extension in respect of the publication of the plan

5. We refer to the first meeting of creditors held in terms of section 147 of the Act on 20 December 2020 (“first meeting”).
6. During the first meeting, the practitioners advised of the following reasons for the prior request for an extension of the publication of the plan:
 - 6.1. the practitioners were evaluating various scenarios and the funding requirements for each; and
 - 6.2. the development of the plan required engagement with various stakeholders to establish their level of agreement and preferred scenario.
7. The practitioners and SAA, with the assistance of distressed aviation experts, have since evaluated various restructuring scenarios (which would present the best opportunity to deliver a viable airline), taking into consideration the distressed circumstances of SAA, the funding required and timing

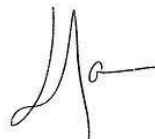
available to implement a viable restructuring, and have identified and developed a proposed restructuring option.

8. Once the proposed restructuring option and the steps required to implement this option have been finalised, the practitioners will be in a position to finalise the draft plan, which will set out the effect of the plan on stakeholders including the estimated return to creditors.
9. The finalised draft plan will be provided by the practitioners to the creditors committee, the employees committee and the shareholder prior to publication of the plan. The practitioners will consult with representatives from these committees and the shareholder, subject to the practitioners' overall responsibility to publish a plan which they regard as representing the best prospects of rescuing the company as contemplated in the Companies Act.
10. 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.
11. The practitioners are still in the process of finalising the steps to implement the proposed restructuring option as well as the anticipated effect the plan will have on stakeholders, including the estimated return to creditors, and accordingly the final draft of the plan will not be ready for publication by 28 February 2020.
12. The practitioners are of the view that a further extension of one month should allow for sufficient time for the practitioners to finalise the draft plan and to provide the draft plan to the committees and the shareholder, as set out above, to enable them to make representations to the practitioners for consideration. The practitioners accordingly hereby request the creditors' consent to an extension for the publication of the plan to **Tuesday, 31 March 2020**, for the publication of the plan.
13. Kindly vote for or against the extension, as requested above, via email to creditors@saabusinessrescue.co.za before close of business on **Thursday, 27 February 2020**.
14. If the practitioners are unable to obtain the requisite consent requested in paragraph 12 above, the practitioners will be obliged to apply to the High Court in terms of s150(5)(a) of the Act for an extension.

Yours faithfully



Siviwe Dongwana
Business Rescue Practitioner



Les Matuson
Business Rescue Practitioner