

17 April 2020

To Whom It May Concern

Dear Sir / Madam

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

South African Express Airways SOC Limited ("the Company"), a state-owned company commenced business rescue proceedings in accordance with the provisions of section 131 of the Companies Act 71 of 2008 (as amended) ("the Companies Act") on 6 February 2020, pursuant to a Court Order issued by the South Gauteng High Court, which ordered that the Company be placed under business rescue.


The Court also appointed Messrs Phahlani Mkhombo and Daniel Terblanche as the interim joint business rescue practitioners of the Company, which appointment was ratified by the majority of the independent creditors at the first meeting of creditors held on 20 February 2020. A copy of the Court Order is attached for ease of reference.

The Company is facing a myriad of financial and operational challenges. The adverse operational challenges that the Company faced in the last months, exacerbated by the impact of the COVID-19 pandemic on the domestic and global airline industry, has affected the airline's ability to generate any revenue to fund critical operational expenses as they became due. The challenge to generate cash was further amplified by the suspension of operations on the 19<sup>th</sup> March 2020.

The Company has therefore made an application to the Unemployment Insurance Fund (UIF) for financial assistance through the UIF COVID-19 relief scheme to enable the Company to pay for March 2020 salaries and are awaiting a response. A further application for financial support was also filed with the CCMA (TERS application). If no financial support is received from the UIF or CCMA the salaries in respect of April 2020 will also not be paid.

In the meantime, we request that you grant the employee an indulgence to honour his/her obligations while we try and rectify the problem under very trying circumstances.

Yours faithfully



For: Joint Business Rescue Practitioners  
Phahlani Mkhombo and Daniel Terblanche