

Comair Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1967/006783/06)

ISIN: ZAE00002983

Share Code: COM

("Comair" or "the Company")



STATUS REPORT FOR COMAIR LIMITED (IN BUSINESS RESCUE)

Attention: All affected persons of Comair Limited (In Business Rescue)

- 1 In accordance with section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended ("Act") when the business rescue proceedings of a company have not concluded within 3 months of the date on which they started, a business rescue practitioner is required to –
 - 1.1 prepare a report on the progress of the business rescue, and update it at the end of each subsequent month until the end of the business rescue proceedings; and
 - 1.2 deliver the report and each update to each affected person and to the Companies and Intellectual Property Commission ("CIPC").
- 2 This requirement is applicable to Comair Limited (In Business Rescue) ("Comair").
- 3 Accordingly, we hereby provide you with the first report on the status of Comair's business rescue proceedings.
- 4 Please note that where capitalized words are used that are not defined herein, these words shall bear the meaning as defined in Comair's Adopted Business Rescue Plan.
- 5 Comair was placed in business rescue, and Messrs. Collyer and Ferguson were appointed as its joint business rescue practitioners ("BRPs"), on 5 May 2020 by a resolution of the board of the company passed on 4 May 2020.
- 6 Since their appointment, the BRPs have engaged extensively with the various affected parties, including the employees and management of Comair, the various Trade Unions involved, various creditors and banking lenders (including the aircraft financiers) and aircraft lessors. The details of some of these meetings are set out in the Adopted Business Rescue Plan. The Adopted Business Rescue Plan also contains the full details of certain of the steps that have been taken since the BRPs' appointment.
- 7 Affected Persons have received email correspondence from the BRPs throughout Comair's business rescue proceedings to date, keeping them abreast of developments. A number of SENS announcements have been published. All notices have been published on notice boards at the registered office and principal place of

business of Comair and on Comair's website. A timeline is provided in Annexure A. The link for the website is: <https://www.comair.co.za/business-rescue>.

- 8 The business rescue plan was adopted on 18 September 2020, with the voting percentages independently verified by PWC (who have confirmed that they have found no discrepancies), as follows:
 - 8.1 by the holders of 93% of the creditors' voting interests that were voted, and which included 93% of the independent creditors' voting interests that were voted; and
 - 8.2 by the shareholders holding 96% of the voting rights that were exercised.
- 9 The Proposed Investment (as described in clause 7.2A of Comair's Adopted Business Rescue Plan) is highly dependent on the Suspensive Conditions contained at paragraph 8.1.1 of Comair's approved business rescue plan being fulfilled. Should these Suspensive Conditions not be met, then the business of Comair will enter a structured wind-down scenario (as described in clause 7.2B of Comair's Adopted Business Rescue Plan).
- 10 The first Suspensive Condition, namely, that a Collective Agreement be agreed with the Trade Unions representing 50% +1 employees, has been achieved.

28 September 2020

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IMPORTANT NOTICE TO FOREIGN SHAREHOLDERS AND PROSPECTIVE INVESTORS

FOREIGN SHAREHOLDERS AND PROSPECTIVE INVESTORS IN COMAIR LIMITED ("COMAIR") SHOULD NOTE THAT, IN ORDER TO ENABLE COMAIR (AS A LICENSED AIR SERVICES OPERATOR IN SOUTH AFRICA) TO REMAIN COMPLIANT WITH THE FOREIGN OWNERSHIP RESTRICTION CONTAINED SECTIONS 16(4)(c) AND 19(a) OF THE AIR SERVICES LICENSING ACT, NO. 115 OF 1990, THE VOTING RIGHTS OF FOREIGN SHAREHOLDERS MAY BE DECREASED PROPORTIONATELY SUCH THAT THE VOTING RIGHTS OF FOREIGN SHAREHOLDERS DO NOT, IN AGGREGATE, EXCEED 24.99%. FOREIGN SHAREHOLDERS AND PROSPECTIVE INVESTORS ARE REFERRED TO THE COMAIR'S MEMORANDUM OF INCORPORATION AND WEBSITE (www.comair.co.za) FOR FURTHER DETAILS. IF FOREIGN SHAREHOLDERS OR PROSPECTIVE INVESTORS ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE THEY SHOULD SEEK ADVICE FROM THEIR BROKER, ATTORNEY OR OTHER PROFESSIONAL ADVISER.