

**Comair Limited**

(Incorporated in the Republic of South Africa)

(Registration Number: 1967/006783/06)

ISIN: ZAE00002983

Share Code: COM

("Comair" or "the Company")



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**STATUS REPORT FOR COMAIR LIMITED (IN BUSINESS RESCUE)**

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- 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 second 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 The Business Rescue Plan was Adopted on 18 September 2020, and 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 the Business Rescue Plan being fulfilled. In this regard, the following is noteworthy:
  - 5.1 A Collective Agreement was agreed with the Trade Unions representing 50% +1 employees;
  - 5.2 The employees have, in terms of the Collective Agreement, waived any remuneration, reimbursement for expenses or other amount of money relating to my employment with the Company, from the Commencement Date (being 5 May 2020) until the Operation Start Date (expected date being approximately 1 December 2020), save, however, for any premiums payable for medical-aid cover over the period August to November 2020; amounts earned or may be earned by Employees for rendering services to Comair from the Commencement Date to the Operation Start Date by agreement with the BRPs; and amounts that are due or

may become due under Voluntary Severance Packages or Voluntary Early Retirement agreements that were/are offered to Employees with the approval of the BRPs, and accepted by an Employee in the period from the Commencement Date to the Operation Start Date;

- 5.3 The Investors have made adequate alternative financing arrangements for Comair of new net debt funding sufficient to implement their investment and the Investors have therefore waived the suspensive condition for new net debt funding in the sum of R600 million;
- 5.4 The Proposed Investment has been approved by the Competition authorities;
- 5.5 The JSE and the Takeover Regulation Panel have approved the Circular to Shareholders, and which Circular will be delivered to Shareholders and published via SENS
- 6 Although the Proposed Investment remains on track, Affected Persons must note that should these Suspensive Conditions not be fulfilled or waived, as the case may be, 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).

Bonaero Park  
5 November 2020

Sponsor  
PSG Capital



#### **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](http://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.