

**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 AND AMENDMENTS TO THE PUBLISHED BUSINESS RESCUE PLAN

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- 1 In accordance with section 132(3)(a) and section 132(3)(b) of the Companies 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 the Company.
- 3 Accordingly, we hereby provide you with the third report on the status of the Company's business rescue proceedings.
- 4 Capitalised terms used but not defined in this notice, shall bear the meaning as defined in the Business Rescue Plan, as amended on 17 September 2020, and Adopted on 18 September 2020.
- 5 All of the Suspensive Conditions, as set out in paragraph 8.1.1 of the Adopted Business Rescue Plan have either been fulfilled, or waived, as the case may be as agreed with the Investors and the Proposed Investment in terms of part 7.2A has become unconditional and is being implemented by the BRPs.
- 6 Furthermore, in regard to the fulfilment or waiver of the Suspensive Conditions above, the BRPs and the Investors have agreed to make immaterial amendments ("**Amendment**") to the Adopted Business Rescue Plan to effect the Equity Investment.
- 7 In this regard, the Adopted Business Rescue Plan provides at paragraph 13.2 that the BRPs shall have the ability, in their sole and absolute discretion, to amend, modify or vary any provision of this Business Rescue Plan, provided that (i) any amendment will not be materially prejudicial to any of the Affected Persons; (ii) at all times the BRPs act reasonably, and (iii) with the knowledge and consent of the Investors, which shall not be unreasonably withheld or delayed by the Investors. For purposes of determining a materially prejudicial outcome paragraph 13.1 provides that an outcome that results in Distributions to Creditors that would be less than the estimated liquidation dividend to as

calculated by PWC and set out in Table 1, would be considered to be materially prejudicial.

- 8 The BRPs of the Company, with the knowledge and consent of the Investors, hereby notify Affected Persons of the following amendments to the Adopted Business Rescue Plan:

Clause of the Adopted Business Rescue Plan	Amendment
New paragraph – 1.3.4A after 1.3.4	Insert a new paragraph 1.3.4A in between paragraphs 1.3.4 and 1.3.5 with the following words: " <b>Best Efforts</b> " - means the best efforts of the BRPs working together with the Investors, to achieve the objectives contemplated in new paragraph 8.5;
New paragraph – 8.5, after 8.4.3	Insert a new heading 8.5 after paragraph 8.4.3 with the following words: <b>Terms of the Business Rescue Plan Implementation</b>
New paragraph – 8.5.1 after 8.5	Insert a new paragraph 8.5.1 after the new heading 8.5 in the Business Rescue Plan - The BRPs agree that the reduction in the workforce will be effected in terms of the " <i>Collective Agreement</i> " concluded on 25 September 2020 and amended on 27 November 2020 in terms of an addendum thereto between the Company, Solidariteit/Solidarity (a trade union registered as such in terms of the LRA) and the Comair Pilots Association, a branch of ALPA-SA (a trade union registered as such in terms of the LRA) (the " <b>Collective Agreement</b> "), and solely in so far as selection is concerned under section S189A of the LRA by no later than 15 December 2020, and fair and objective selection criteria will be used to determine the identity of the specific individuals who are to be selected for retrenchment. The Company will, subject to the Collective Agreement, evaluate further and where possible implement all reasonable alternatives presented by the Trade Unions/Employees to minimise job losses contemplated by such agreement. The Company undertakes that dismissal of any Employee will be subject to compliance with the conditions attaching to the Competition Tribunal's approval of the Proposed Investment which is the subject matter of this Business Rescue Plan, granted on 30 October 2020
New paragraph – 8.5.2 after 8.5.1	Insert paragraph 8.5.2 in the Business Rescue Plan after the new paragraph 8.5.1 - The Company is required to oppose the application which the National Union of Metalworkers of South Africa ( <b>NUMSA</b> ) filed on 27 November 2020 with the Labour Court, seeking leave to appeal against the whole of the order and judgment of the Labour Court granted on 23 November 2020 dismissing an application NUMSA instituted against the Company before the Labour Court in terms of section 189A(13) of the LRA to interdict the retrenchment and obtain related relief. The BRPs hereby undertake to use their Best Efforts to fully and actively oppose the aforesaid application for leave to appeal and all related legal proceedings and applications and any ensuing appeal that

Clause of the Adopted Business Rescue Plan	Amendment
	may be allowed, and pursue the Company's opposition of this and any other legal proceedings of whatsoever nature which NUMSA may institute against the Company relating to or connected with the retrenchment of any Employees, to its final end and conclusion
New paragraph – 8.5.3 after 8.5.2	Insert a new paragraph 8.5.3 in the Business Rescue Plan after the new paragraph 8.5.2 - The BRPs shall procure that the Company shall use its Best Efforts to procure that Sabre Inc., a Delaware Corporation, enters into and signs a new agreement with the Company to replace the existing agreement between Sabre and the Company, on terms and conditions which are satisfactory to the Investors
New paragraph – 8.5.4 after 8.5.3	Insert a new paragraph 8.5.4 in the Business Rescue Plan after the new paragraph 8.5.3 - To the extent relevant and applicable, the Company is required to undertake all relevant filings and secure all relevant approvals from the Civil Aviation Authority & Air Service Licensing Council, as well as the International Air Service Licensing Council, insofar as they are legally required in relation to the continuation of the Company's operations and for this purpose, the BRPs undertake to give their full co-operation and use their Best Efforts in this regard
New paragraph - 8.5.5 after 8.5.4	Insert a new paragraph 8.5.5 in the Business Rescue Plan after the new paragraph 8.5.4 - The Company is required to receive unconditional competition approval by the Competition and Tariff Commission of Zimbabwe, alternatively approval subject to such conditions as require the sole acceptance, in writing, of the Investors which shall not unreasonably be withheld or delayed. The BRPs undertake to give their full co-operation and pursue the application using their Best Efforts in order to achieve the approval by the Competition and Tariff Commission of Zimbabwe as aforesaid. The BRPs shall procure that the transaction which is the subject matter of the Business Rescue Plan shall not be implemented in respect of Zimbabwe prior to receipt of approval by the Competition and Tariff Commission of Zimbabwe as aforesaid, and in particular no flights shall be undertaken to and from Zimbabwe until such approval has been obtained
New paragraph – 8.5.6 after 8.5.5	Insert a new paragraph 8.5.6 in the Business Rescue Plan after the new paragraph 8.5.5 - The BRPs acknowledge that the Investors will procure that an offer (" <b>Offer</b> ") to acquire the remaining 1% of the shares in the Company, to be implemented by one of a number of possible mechanisms, including a scheme of arrangement, will (i) be made following the date of termination of the Business Rescue Proceedings in respect of the Company; and (ii) include, an application to terminate the listing of all the Company shares from the main board of the JSE, immediately following the completion of the Offer. For the purposes of procuring the passing of the necessary resolutions by the Company's shareholders to achieve the aforesaid, the BRPs confirm they have already received irrevocable undertakings from certain material

Clause of the Adopted Business Rescue Plan	Amendment
	shareholders of the Company and undertake to use their Best Efforts to the extent that it is within their power so to do to assist the Investors to procure the support of additional shareholders so that the requisite majority can be obtained for the passing of all resolutions required to achieve the foregoing.

9 These amendments will not have any materially prejudicial outcome as explained above, and the Adopted Business Rescue Plan is accordingly amended and should now be read in conjunction with this notice.

10 The Company's flying operations are commencing on 1 December 2020.

Bonaero Park  
1 December 2020

Sponsor  
PSG Capital



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.