**Matters to follow up: SAA**

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| **Date** | **Department / Entity** | **Requirement** | **Due date** | **Follow-up / Comment** |
| 15.05.2020 | **SAA** | 1. Full details of money that has been spent on “other”. | 26.05.2020 | See Annexure C |
|  |  | 1. Cost of each of the Business Rescue Practitioner to date.   **PQ 4646 (Vimla Maistry)** |  | Siviwe Dongwana – R1,704,000  Les Matuson – R1,248,000 |
|  |  | 1. Full schedule of consultation fees. |  | |  |  |  |  | | --- | --- | --- | --- | | **Name** | **Scope of Work/Service**  **Rendered** | **Time Spent** | **Fees Paid**  **To 26 May 2020** | | **Adamantem (Pty) Ltd** | Provide business rescue and restructuring consulting | Contracted for the duration of the business rescue  process | R14,002,112 | | **Matuson & Associates** | Provide business rescue and restructuring consulting | Contracted for the duration of the business rescue  process | R22,208,689 | | **Edward Nathan Sonnenberg Inc** | Legal advisors to the BRPs, provide insolvency, commercial and labour law  legal advice to BRPs | Contracted for the duration of the business rescue  process | R28,503,278 | | **Alvarez & Marsal Europe Limited** | Aviation restructuring advisors  to the BRPs, provide aviation restructuring advice to BRPs | Contracted for the  duration of their specific functions | R61,097,876 | | **PriceWaterhouseCoopers Advisory Services (Pty) Ltd** | Liquidation calculation, cash flow projections and development of the airline  sustainability model | Contracted for the duration of their specific functions | R38,661,133 | | **Allen & Overy** | Legal advisors to the PCF Banking Lenders | Contracted for the duration of their specific functions | R4,797,035 | |
|  |  | 1. Minutes of meetings between the BRP and Board Members and Shareholders. | **Company Secretary** | See Annexure D |
|  |  | 1. Minutes of meetings with Unions regarding all matters discussed, leading to the current situation. |  | No minutes were kept of Employee Committee meetings but recordings of all S189 meetings are available upon request. |
|  |  | 1. Monthly reports from the BRP from the 4th month of operation as required by law. |  |  |
|  |  | 1. Outstanding financial information for 2019. |  | Please provide further clarity on what is being requested. |
|  |  | 1. Provision of definite date for completion of rescue plan and conclusion of all matters pending / being dealt with. |  | The business rescue plan will be distributed to the employees’ and creditors’ committees for comment on 28 May 2020 which may necessitate an extension of the publication date to 8 June. |
|  |  | 1. Are Mango, SAA Technical and Air Chefs under the same business rescue order as SAA? |  | Mango, SAA Technical and Air Chefs are not in business rescue |
|  |  | 1. Can SAA be rescued without any further funding from either or both the State and private investors? |  | SAA cannot continue as an airline even in a restructured format without further funding but creditors of SAA could be provided with a better return than a liquidation through a structured wind down process. |
|  |  | 1. Given the contents of the letter of the 10th of April 2020 from the Minister of Public Enterprises to the SAA Business Rescue Practitioners (BRP’s) why have the BRP’s seemingly acted in violation of section 141 (2) (a) (ii) of the Companies Act by not applying for the liquidation of SAA? The contents of the letter dated the 10th of April 2020 make it clear that SAA will not, under any circumstances, be provided with any further funds by the State. |  | The Business Rescue Practitioners have not acted in violation of section 141 (2) (a) (ii) of the Companies Act. After receiving the 10 April letter the business rescue practitioners started the development of a business rescue plan that would result in a better return to creditors than an immediate liquidation as set out in section 128 (1) (b) (iii) of the Companies Act. Post this communication to affected persons the Department of Public Enterprises than indicated that it would not support this approach and would be in support of a restructured SAA. |
|  |  | 1. Will state funding be made available to SAA if the business rescue plan to be tabled by the BRP’s is approved by the Minister and Department of Public Enterprises? |  | The BR Plan will outline the funding requirements of SAA. Government has to consider various sources of funding including Strategic Equity Partnerships to ensure a viable airline is established. |
|  |  | 1. What is the deadline date for the business rescue plan to be presented to the creditors? If this plan is rejected by creditors or others who have the legal power to do so, will the BRP’s act in accordance with section 141 of the Companies Act and apply for liquidation? |  | The business rescue plan will be distributed to the employees’ and creditors’ committees for comment on 28 May 2020 which may necessitate an extension of the publication date to 8 June. If the published business rescue plan is not adopted the business rescue practitioners and affected persons would be required to follow the provisions of section 152 and 153 of the Companies Act. |
|  |  | 1. What are the details of all possible investors in SAA who have been approached to invest in SAA since the business rescue process started on the 5th of December 2019? |  | Certain possible investors approached Les Matuson but no investors were approached by the BRPs save and except for Ethos. All investors were referred to the DPE. |
|  |  | 1. Was Mr Patrice Motsepe or an entity linked to Mr Motsepe approached with a request to invest in SAA? |  | No approaches were made to Mr Motsepe but an approach was made to Ethos which company Mr Motsepe may have a direct or indirect interest in. |
|  |  | 1. What are details of proposed investment amounts and conditions offered to possible investors in SAA since the business rescue process started on the 5th of December 2019? |  | There were no discussions relating to amounts or conditions relating to investing in SAA in which the BRPs were involved. |
|  |  | 1. What percentages of salaries was paid to the following categories of SAA employee for each of the months of March 2020 and April 2020 and what percentage will be paid for the month of May 2020:    1. Flight deck crews,    2. Cabin crews,    3. Chief pilot,    4. Middle management,    5. Senior management,    6. Executive directors,    7. Other employees. | **HR (Vik)** | |  |  |  |  | | --- | --- | --- | --- | | EMPLOYEE CATEGORY | March % | April % | May % | | a.    Flight deck crew | 100.00 | 95.26 | 22.11 | | b.    Cabin crew | 100.00 | 76.21 | 11.61 | | c.     Chief pilot | 100.00 | 100.00 | 77.77 | | d. Management & Specialists | 100.00 | 88.11 | 50.57 | | e.   Executive directors | 100.00 | 98.97 | 67.35 | | f.    Ground Staff | 100.00 | 77.99 | 16.82 | | g.    Contractors | 100.00 | 52.88 | 27.25 | | Total | **100.00** | **86.12** | **22.25** | |
|  |  | 1. Why did the BRP’s not immediately embark upon an employee retrenchment programme immediately they started cutting routes and flights? |  | The business rescue practitioners commenced with the section 189 process once they had sufficient information to do so. The cessation of flights was done to preserve the funds available and utilise these funds on routes that were profitable rather than loss making |
|  |  | 1. Why are the BRP’s allowing Mango to continue trading at losses without taking action to retrench staff and cut expenditure? |  | Mango is not in business rescue and the board of Mango still has full management control. |
|  |  | 1. What are details of the age analysis of all SAA creditors as at the 30th of April 2020:    1. Name of creditor    2. Amounts owed to each creditor by age period. |  | Annexure A |
|  |  | 1. What are details of all SAA borrowings as at the 30th of April 2020:    1. Name of each lender,    2. Amount owed to each lender,    3. Interest rate charged by each lender,    4. Security/collateral given to each lender,    5. Repayment dates for each lender,    6. Details of all conditions attached to each loan. |  |  |
|  |  | 1. What are details of all guarantees provided by government to SAA as at the 30th of April 2020 and for what purposes have these guarantees been used? |  | R16,4 billion for Legacy Debt and PCF Lenders  R2,8 billion to aviation regulators, letters of credit to Banks for aircraft lessors and the IATA security deposit |
|  |  | 1. What are details of all contingent liabilities of SAA as at the 30th of April 2020? |  | Annexure B |
|  |  | 1. What are the details of any and all aircraft used/leased by SAA that have been returned to, or repossessed by, the owners/lessees? |  |  |
|  |  | 1. Provide details of the agreement on salary sacrifices agreed to by all SAA Group employees? |  | No salary sacrifices have been implemented at SAA SOC. Please direct questions in respect of Mango, SAAT and Air Chefs to the respective boards. |
|  |  | 1. Have all SAA Group employee and employer contributions to pension funds, medical aid, death policies and other such benefits due as at the 15th of May 2020 been paid in full? If not why not and what are the details of unpaid amounts? |  | Yes |
|  |  | 1. What are the details of all SAA flights for the repatriation of SA Citizens from foreign jurisdictions?    1. Date of flights out of SA and back to SA,    2. The number of passengers carried on each flight,    3. The number of passengers on each flight who paid for their flights and the amount paid,    4. The entity/ies to whom passengers paid their money for flight tickets,    5. The names of all third parties, including the Department of International Relations, involved in collecting ticket and other funds for each flight,    6. The amounts retained by third parties, including the Department of International Relations, involved in selling tickets or taking payments for tickets,    7. The detailed SAA costs of each flight? |  | Note the attached document on the charter information. |
| **For ease of tracking responses, each annexure should clearly indicate which specific area it seeks to address** | | | | |