

EXHIBIT DD 7

AFFIDAVIT & ANNEXURE

OF

KUTLWANO PHATUDI





**JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE CAPTURE,
CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS OF STATE**

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**IN THE JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE
CAPTURE, CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS
OF STATE**

AFFIDAVIT

I, the undersigned,

KUTLWANO PHATUDI

I, the undersigned,

KUTLWANO PHATUDI

do hereby make the following statements under oath:

1. I am an adult female, and a South African citizen residing in Mahikeng.
2. I currently hold the position of Chief Financial Officer ("CFO") at the Department of Community Safety and Transport in the North West Government ("the Department").

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3. The facts to which I depose are true and correct and are within my personal knowledge except where it is apparent from the context that they are not.

4. I have held this position since July 2013 until now. Before my appointment as CFO, I held the position of Finance Director in the same office from 2009 to July 2013.

5. As CFO, I report to the Head of Department ("HOD") of the Department. Since my appointment I have reported to the following HOD's:

5.1 Mr. Bailey Mahlakoleng (Mahlakoleng) 2013 to 14 March 2016

5.2 Ms. SizileMpolokeng (Mpologeng) 15 March 2016 to 31 March 2016

5.3 Mr. OagengMosiane (Mosiane) 1 April 2016 to 21 August 2016

5.4 Mr. ButiChuma (Chuma) 22 August 2016 to 31 March 2017

5.5 Ms. B.A Mofokeng (Mofokeng) 1 April 2017 to date

6. As CFO I oversee the general Financial Management of the Department, this includes but not limited to the following:

6.1 Supply Chain Management;

6.2 Budgets; and

6.3 Expenditure Management.

SOUTH AFRICAN EXPRESS (SA EXPRESS) CONTRACT

7. In 2014, the department started plans to have an operational airline for the Mahikeng and Pilanesberg Airports. The plan was to have an active airline services operating at these two airports. At the time no flights were flying to these airports. The North-West Government therefore resolved that they wanted these airports to be operational once again.

8. On the 26th of August 2014, the NW government, led by the Department of Tourism invited six airlines to a meeting at Sun City. I was invited to this meeting through the office of the HOD. The airlines which were invited, gave presentations on how their services would advance and improve Tourism in the NW and what services they would provide to the NW government. There were six companies that were invited, but only four companies made presentations. The four companies spent time motivating why they must be chosen as the preferred suppliers.
9. The Department prepared a memo which summarized the proposal made by the various service providers. In that memo the Department made a recommendation that SA Express should be awarded the tender to activate Pilanesberg and Mahikeng airports, a copy of the memo is attached hereto marked annexure "KP1".
10. This memo was addressed and presented to the Executive Committee (EXCO) for approval. EXCO is made up of the Premier and MEC's from various departments.
11. The main motivation for appointing SA Express was that they were a State Owned Entity supporting the Provincial Airlift Strategy and Economic and Tourism Development and Not for Profit. *Reference is made to Par 4.1.1, of the EXCO Memo.*
12. I can confirm that beyond the presentations made at the Sun City meeting and presentation to EXCO, there was no other procurement process followed as required by section 217 of the constitution.

13. Section 217 deal with basic constitutional requirements of Public Procurements, these include;

13.1 Competitiveness

13.2 Transparency

13.3 Equitability

13.4 Fairness

13.5 Cost Effectiveness

14. The reason I say that the appointment of SA Express was not in line with the provisions of 217 was that the tender was not advertised to the general public.

15. After the appointment of SA Express, our legal department drafted a Service Level Agreement (SLA) between the Department and SA Express. On the side of SA Express, the person who was Project Lead was Mr. Brian Van Wyk, the GM Commercial at the time. Mr. Mahlakoleng represented the Department.

16. Mr. Inathi Ntshanga (Mr. Ntshanga), the CEO of SA Express at the time and Mr. Mahlakoleng, who was the HOD of Department were the two parties that signed the SLA. The agreement was signed by Mr. Mahlakoleng on the 31st of March 2015, a copy of which is attached hereto marked as "KP2".

17. As per the SLA, the Department was to make a pre-payment subsidy to the value of R112m relating to 2014/2015 financial year to SA Express.

18. The Department received an invoice from SA Express valued at R51m. At the time the Department did not have the budget to pay the SA Express invoice. Mr. Mahlakoleng, wrote a letter to the Acting Director General at the Premiers Office on the 16th of March 2015, requesting that the payment of the R51m be paid out

from the Office of the Premier's Budget. Attached to the letter was the SA Express invoice. A copy of this invoice is attached hereto as "KP3".

19. Following this initial payment the balance of the SA Express and the Ground-Handling Services Service provider's payments were made through our Departments budget.

20. In December 2015 the Department received two Invoices, one from SA Express and the other from Koreneka Trading and Projects CC. From my knowledge Koreneka were the service provider that was appointed by SA Express to do Ground Handling services at Mahikeng and Pilanesberg.

21. I recall the finance department raising concerns over receiving an invoice from Koreneka. From my understanding, Koreneka did not have a contract with the Department but had a contract with SA Express therefore payment should have come from SA Express, not us.

22. SA Express had the obligation to pay the Management Companies from the subsidy received from the Department.

23. Clause 6.1 of the SLA which deals with subsidy payments explicitly states, *"The Department shall pay to SA Express annually, in advance the amount stipulated in annexure A, which amount is subject to review at the end of each year by agreement between two Parties."*

24. The second reason that we were reluctant to payout the subsidy to SA Express was that there was no compliance with clause 15 of the SLA.

25. Clause 15 of the SLA stated that SA Express and the Department would both be responsible for the appointment of the Management Company that would service the airports. This clause is important because, before the Department can pay for services provided by a 3rd party directly, we have to make sure that all procurement processes and standards are followed in appointing these entities to avoid irregular expenditure.

26. When we requested SA Express, through the office of the HOD, to provide proof that the Department was involved in the process to appoint Koreneka in order for us to pay, SA Express was unable to provide such proof therefore unable to confirm if Koreneka was appointed through a regular process.

27. There was back and forth discussions between SA Express and the Department regarding the delay of payment. These discussions were led by the office of the HOD. As the Finance Department, we did not want to pay the invoices until we got clarity on the two issues.

28. I know that during the back and forth between the parties, the original SLA was changed. The two parties to the contract revised Clause 6.1 and 15.1, the copy of the revised contract is attached hereto as "KP4".

29. Clause 6.1 was amended to state that the Subsidy for Ground Handling Fees should be paid directly to the Management Company by the Department and not through SA Express.

30. Clause 15.1 now stated that it is the responsibility of SA Express alone, to appoint the Management companies that will operate at the Pilanesberg and Mahikeng Airports.

31. I cannot recall when the SLA was amended for the changes detailed above. What I do know is that we received the Koreneka invoice dated the 7th of December 2015, and the Purchase Order was created on the 22nd December 2015. The Finance Department would not have created a Purchase Order if the concerns we had raised had not been addressed. Therefore, I can make the assumption that the SLA was amended between 7 December 2015 and 21 December 2015.

32. I can confirm that a representatives from SA Express, (Mr.Ntshanga) and the HOD (Mr. Mahlakoleng), who represented the Department were aware of the provisions changed in the initial contract, as they both signed and initialed where the changes occurred.

33. I can confirm that post 2015, in line with the amended SLA, the Finance Team was able to make payments directly to the Management Companies.

34. The subsidy structure on both agreements were provided by SA Express. I do not know how they determined the structure, but there was consultation between the two parties through the presentation that was made by SA Express.

PAYMENT PROCESS

35. As mentioned above, amongst my responsibilities as CFO is that my office is in charge of releasing payments following the below process:

35.1 Service Provider will issue an invoice;

35.2 The Chief Directorate will approve the invoice and prepare a requisition form and submit it to Budget Office for confirmation of budget availability;

35.3 The Finance Department will check with the Budget Office if there is budget to pay this invoice;

35.4 The HOD will then approve the payment; and

35.5 Finally, the Finance Department will release payment. However, before releasing payment, they will check for compliance against the compliance checklist.

36. On the 7th of December 2015, the Department received an invoice of R20.6m from Koreneka, the copy of the invoice is attached hereto as "KP5". The payment was processed by the Finance Department.

37. In 2016, the Department received an Invoice from Koreneka for Ground Handling Services to the value of R 15.850m. This Invoice was not paid by the Department because Koreneka's partners had a legal dispute going on. The Department was served with a letter from SG Mogoderi Attorney representing Mrs. JC Phiri which instructed the Department to withhold any further payments to Koreneka until the legal dispute was resolved. The copy of the letter is attached hereto as "KP6".

VALOTECH PAYMENT

38. On the 13th of June 2016, Valotech issued their first invoice of R15.06m, which is attached to "KP7". This invoice would have been received from Ms Dayel. The invoice was approved by Mr. Mosiane who was the then HOD. On the basis of the Requisition form, Invoice and SLA; payment was made.

39. Valotech was appointed to do Ground-Handling Services sometime in 2016 replacing Koreneka. The letter dated June 2016 signed by Mr. Van Wyk of SA Express confirmed the appointment of Valotech for Mahikeng Airport and advised the HOD of the appointment, the letter is attached hereto as "KP8". This document was used as part of the payment pack to effect payment to Valotech.



MAMCO PAYMENT

40. Mr.BhutiChuma who was the acting HOD at the time approved this invoice. The requisition for this payment was received from MsDayel. The letter from SA Express dated the 29th of March 2017, signed by Mr.Ntshanga informed the Department that Mahikeng Airport Management Company (Pty) Ltd ("MAMCO") had been appointed for Mahikeng Airport. The appointment was effective from 1 April 2017 and valid for 3 year. The copy of the letter is attached hereto as "KP9".

41. The Department was then requested to pay over the subsidy to this company. This letter appointment was therefore used by the Department as part of the payment process. A payment of R15.8 million was released on the 5th of May 2017. Copy of payment pack is attached hereto as "KP10".

PAMCO PAYMENT

42. A letter from Mr.Ntshanga, dated the 24th of March 2017 addressed to Mr.Chuma informed the Department that SA Express had appointed Halycgen (Pty) Ltd t/a PAMCO for the Pilanesberg Airport. The letter further requested the Department settle the subsidy amount of R15.5 million, a copy is attached hereof as "KP11".

43. The letter from Mr.Ntshanga was used as confirmation of PAMCO's appointment and was therefore used in our payment process. The purchase requisition was approved by MsMofokeng, the current HOD and payment was released on the 28th of June 2017. PAMCO payment pack is attached hereto as "KP12".

GROUNDING OF SAX FLIGHTS

44. The airline ceased operations around the 24th of May 2018. From my understanding the reasons for grounding of the airline was due to non-compliance

with regulations, however I believe that the Program Manager would be in a better position to provide further details on it.

45. MAMCO and PAMCO submitted their invoices to the Department for the work they had done up to the day of grounding of the flights.

46. The Management Company's justification to the Department was that they had done work before the grounding of SA Express and therefore they should be paid for that work. They stated that they had submitted reports to the Department to show this.

47. Until this day, we have not paid the 2018 Management fee invoice to MAMCO and PAMCO, this is because, the HOD and the Administrator have not approved the invoices.



DEPONENT

I hereby certify that the deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn to before me, Commissioner of Oaths, at Mafikeng on this the 21st day of July, 2019 the regulations contained in Government Notice No R1258 of 21 July 1972, as amended, and Government Notice No R1648 of 19 August 1977, as amended, having been complied with.

ANITA HARDING
Practicing Attorney
Commissioner of Oaths
Motheo House, 56 Shippard Street
Mafikeng, 2745
Tel: 018 381 0495

Date: 21/07/2019



COMMISSIONER OF OATHS

FULL NAMES: Anita Harding

ADDRESS: 56 Shippard Street Mafikeng

EX OFFICIO: Attorney

Annexure “KP 1”





dcs&tm

Department:
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

KP-012



OFFICE OF THE MEC

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**TO : CHAIRPERSON OF EXECUTIVE COUNCIL
PREMIER S.O.R. MAHUMAPELO**

**FROM : MEMBER OF THE EXECUTIVE COUNCIL
COMMUNITY SAFETY AND TRANSPORT MANAGEMENT
GAOAGE OAGENG MOLAPISI**

**SUBJECT: PROPOSED INTRODUCTION OF SCHEDULED FLIGHTS FOR MAFIKENG
AND PILANESBERG AIRPORTS**

1. PURPOSE

To request approval of the Executive Council for the introduction of passenger/ scheduled flights between Mafikeng Airport and Pilanesburg or Mahikeng OR Tambo International and Pilanesberg Airport and to OR International Airport, and Cape Town International Airport.

2. BACKGROUND

The Department has been entrusted with the responsibility to introduce and activate the Provincial Airports of Mahikeng and Pilanesburg between Bokone Bophirima Airports. These airports are aviation hubs that have the infrastructural capability to be the link and gateway with the rest of the country, the continent and the world. The Mafikeng airport is designated as domestic while Pilanesberg has the international licence.

The airports are wholly owned by the Bokone Bophirima Provincial Government and have been identified as key strategic and catalytic infrastructure assets that should be recapitalised and commercialized. It is anticipated that once fully recapitalised and commercialized, the airports should serve as key drivers to stimulate socio-economic growth and development of the province.



"Together taking Bokone Bophirima forward"



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3. MOTIVATED SUBMISSION

- ❖ There are currently no Airlines on these routes and there is a need to activate them.
- ❖ There is a opportunity to develop Mahikeng as an economic hub through industrialisation
- ❖ The study shows that there is lot of travelling between Mahikeng, Pretoria and Johannesburg either by public servants and by business communities and this will ease the travelling and road incidents
- ❖ There is a market for tourists in the Rustenburg especially for Sun City and the surrounding areas
- ❖ There is also travelling business opportunity as a result of the mining areas
- ❖ There is a opportunity create more than 320 jobs opportunities through both direct and indirect employment in the first year

4. PROCESS TO ACTIVATE THE AIRPORTS

The Department invited six (6) potential airliners to submit and make presentations. Of the 6 service providers invited only four presented their proposals as requested and the other two (2) were advised to finalise their proposals and forward them to the Department but were never received.

5. OBJECTIVES OF THE PROJECT

The expected outcomes are the development of an operating concept that will ensure the provision of air transport services between Mahikeng, Pilanesberg International and Airport OR Tambo International Airport for the potential users in the Province through, *inter alia*, the development of scheduled flight services that will meet the needs of the air transport passengers (pax) market on the Mahikeng/Pilanesberg International Airport route taking due cognizance of the traffic numbers between the three cities

Furthermore, one other objective of the whole exercise is to ensure that these two airports are in compliance with the standard regulations of the South African Civil Aviation Authority (SACAA) as prescribed in the South African Civil Aviation Act.

4.1. Summary of proposals

The following service providers submitted their proposals and presentations to the team led by the MECs for Community Safety & Transport Management and for Tourism, on the 26 August 2014 at Sun City:

4.1.1. SA Express

* The SA Express is a state owned airline supporting the provincial airlift strategy and economic and tourism development and not for profit. The proposed routes are from Johannesburg (OR Tambo) to Mafikeng and from Pilanesburg to Cape Town. See Annexure A

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The proposed model is that the Airline will be subsidised for a period of 3 to 5 years Operations Contract on one of the following models

- ❖ Model 1 –Operation Model
- ❖ Hard Block /soft block
- ❖ Model- 2 PPP Model –Preferred model
- ❖ Hard Block/ Soft Block

The SA Express & Northwest Province are responsible for promotion of the concept and the marketing of Mafikeng Airport and the Northwest Province financially subsidise the development of the new Air Service through a route subsidy (subsidy payable annually in advance) The Province would pay for:

- ❖ Subsidised aircraft operational cost to MBD (Mafikeng)
- ❖ Aircraft parking ,landing and navigation charges at MBD
- ❖ Ground handling costs at MBD
- ❖ Hard block seats

The SA Express will be responsible for Passenger & CARGO Services

- ❖ Route development – Implementation of Provincial Airlift Strategy
- ❖ Economic Development – Unlocking Tourism and Economic Activity
- ❖ Management Company - the appointment of local management company with assistance of the provincial department of transport (DCS&TM)
- ❖ BBBEE –Enterprise Development = local Management set-up
- ❖ Marketing –Airline and Province to market the routes domestically and internationally
- ❖ Operation –Sustainable operation
- ❖ Training – Job creation and skills development

Annual Cost of Route Subsidy

Monthly Operating Cost

Aircraft	Annual Seats	Freq	Rotation - Mon-Fri	Cost per seat	Annual Costs exc. vat	Station cost	Flight Destination	Total Cost (R)
CR2	5040	12	3210652	537	48159780	11000000	250km	59 159 680
CR7	7056	12	3869735	548	58046028	11000000	250km	69 046 028
Dh4	7469	12	3549121	476	53236818	11000000	250km	64 236 818

Assumptions

- Subsidised landing fees at MBD for the first year

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Dh4	7459	12	3549121	476	53236618	11000000	250km	64 236 618

Assumptions

- Subsidised landing fees at MBD for the first year

ICP

- Subsidised parking fees at MBD for the first year
- Airport Civil Aviation audit tone by the airline
- Standard catering to be used
- One double daily rotation Monday to Friday and Sunday
- Station costs – set up and training by Airline
- Jet fuel – at seller rates as per ORT
- Costs are excluding VAT

4.1.2. CONTINENTAL AVIATION SOLUTION

Continental Aviation Solutions has identified the following routes as the best possible and lucrative routes to launch this kind of operations. These routes will address the Province's travel needs, because currently, the general public, Government officials and business people use only one mode of transport between Bokone Bophirima and Gauteng and other Provinces as well as other countries (i.e. Road). The routes will be divided in the phases of launching:

The company proposes Mahikeng Airport/ Mahikeng) to Lanseria International/ Johannesburg) and Mahikeng Airport to Pilanesberg/Sun City), Pilanesberg/ Sun City) to Lanseria and Pilanesberg/ Sun City) to Cape Town International as the first phase and operational immediately

The second phase proposed to be launched during the second year as follows:

- ❖ Pilanesberg/Sun City) –King Shaka International – Durban)
- ❖ Mahikeng Airport) –(Cape Town International Airport)
- ❖ Mahikeng Airport –King Shaka International – Durban

The third phase will be as follows;

- ❖ Pilanesberg/Sun City) –International/ Mauritius)
- ❖ Pilanesberg/ Sun City) –Seychelles International)
- ❖ Mahikeng Airport) –International/ Botswana)

4.1.2.2. START – UP SUMMARY

Most of the planned start-up costs are apportioned to the following six areas, in approximately declining value:

- ❖ Dry leasing (ACMI) or lease to purchase of two mid-size turboprop and 1 mid-to-larger size (followed by two large size by the end of the second year of operations) mid-to-large

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size regional Jet aircraft, most likely the 50 seat Bombardier CRJ 200 and Mid-size turboprop most likely the 19 seat beechcraft 1900.

- ❖ Sourcing of a sufficient cash reserve to assure timely payment of the leasing or finance payments and operating costs of the Aircraft through at least the first six months of operations
- ❖ Marketing, advertising, and public relations costs, including costs of setting up a website capable of offering flight and fare information and making online sales and reservations, and related internet marketing, as well as conventional print and broadcast advertising, and public relations activities
- ❖ Costs associated with recruiting, training and certifying flight and ground operational crews
- ❖ A reserve to cover overall operating costs, aside from aircraft operating costs, over at least the first six months of operations
- ❖ Administrative and legal costs incurred in setting up the business and the Airline operations

For the launch of this operation the airline would require to start with a route that will be more frequent and lucrative and then later launch all other routes until the service is fully operational on all proposed routes. Continental Aviation Solution would initially launch two return flights daily between (Mafikeng Airport and Lanseria International Airport from Monday to Sunday. The proposed start up funding is estimated at R 4 397 726.00

The flights will be scheduled as one return flight in the morning and another return flight in the late afternoon during the week and one return flight in the afternoon on Sundays, and later develop to more as demand increases.

See Annexure B

4.1.3. Challenger Air

The proposal is that Challenger Air will provide the aircraft crew, ticketing and ground handling services at OR Tambo and Lanseria airports. Training will also be provided for personnel at Mafikeng and Pilanesberg Airports, which personnel are to be provided by the province.

The proposal is to introduce the Airline on a phase in approach with the first phase being immediate one to 3 months for one route and the other routes to follow. The reason for this approach being to determine how the route works and what loads are being realised –with no branding and flexible flight until more accurate passengers requirement are learned

The cost per ticket is R1 335, 00 excluding VAT per month. Part 135 license of fee twenty eight thousand (R28 000) Excl vat per month. Administration fee 5% of the total monthly contract excluding vat. Payment terms monthly in advance. See Annexure C

4.1.4. SA AIRLINK

The proposal is for the introduction of Airline from Mahikeng to OR Tambo and from Pilanesburg to Cape Town. The Airliner was operational before and relied on government subsidy which stopped after it was withdrawn. The service provider is willing to come back and reactivate the routes on a subsidy basis. See Annexure D

6. PROPOSED SERVICE PROVIDER

Based on the above proposals, the SA Express was found to be relevant to meet the provincial airlift strategy based on the fact that it is a state owned entity and not profit driven while the SA Air-link, Continental and Challenger Airlines will be highly depended on government for profit making.

The SA Express has its foot print in most of the provinces except in the North West. The Department of Public Enterprise had through previous engagements with the former Department of Economic and Tourism expressed interest to assist Bokone Bophirima in activating SA Express airline and easy link up with SAA for other destinations.

The routes to be considered are as follows:

Mahikeng to OR Tambo

Pilanesburg to Cape Town

Pilanesburg to Johannesburg

The routes between Mahikeng and Pilanesburg was considered following a meeting between Honourable Premier Supra Mahumapelo and Minister Dipuo Peters on SIP 4, the desk top research conducted and response from the proposed service provider is that the route would not be viable due to number of passengers travelling that route, that it will result in a 10 minute flight and very expensive to maintain both for fuel and airfares including subsidy. See Annexure E

7. Other Explorations

The Department proposes that the above service provider be considered for a period of 5 years renewal annually as it is exploring another option of acquiring its own air-fleet internally and utilise the subsidy to maintain it. As part of this proposal, the proposed service provider will assist with the setting up a management company that will take the process beyond the second year of the agreement.

8. National Development Plan Vision 2030

- ❖ By 2030 investments in the transport sector will ensure that it serves as a key driver in empowering south Africa and its people enabling:
- ❖ Improved access to economic opportunities, social spaces and services by bridging geographic distances affordably, reliably and safely
- ❖ Economic development , by supporting the movement of goods from one point of production to where they are facilitating regional and international trade
- ❖ Greater mobility of people and goods through transport alternatives that support minimised environmental harm

The Department through the introduction of passenger flight will realise the above as provided in the NDP. This will be an alternative long distance passenger transport with an opportunity to grow it through linkage to other provinces and countries. The success of the first phase which is the launch will solely rely on the government subsidy.

9. Benefits for the Province

- ❖ Realise provisions of National Development Plan on provision of public and subsidised transport.
- ❖ Realise National Airlift strategy
- ❖ Contribute towards Reduction of unemployment with an estimate of about 320
- ❖ Improved economic opportunities eg tourism, business etc
- ❖ Reduction of road fatalities and road usage
- ❖ Reduction on Travel and subsistence budget

10. State of readiness of Infrastructure and other Logistics

The Department jointly with Civil Aviation Authority and the Department of Transport National have agreed on a tight schedule in terms of meeting compliance issues and is therefore working on the following:

- ❖ Re-submission of applications for activation of both airports
- ❖ Re- training of fire fighters
- ❖ Appointment of additional Fire fighters
- ❖ Acquisition of aviation fire Trucks
- ❖ Appointment of Aviation security company
- ❖ Acquisition of security screening machines

The process of name change from Mafikeng Airport to Kgosi Montshiwa Airport is also underway.

11. IMPLICATIONS

11.1 Financial Implications

The total cost of the subsidy for the first year is R110m

See Annexure F

11.2. Personnel Implication

The Departments must commit their staff towards the use of airlines as it will be subsidised and more affordable. Additional staff will also be appointed for the provision of different services. It is envisaged that the operations of both airports will enhance the economic activities of the entire province and ultimately creates more jobs.

11.3. Political Implication

It is envisaged that this project would not only contribute towards the economic growth of the province, but also realise the provision of the National development Plan in which subsidised and scheduled transport is provided to make it easier for movement of communities from one area to the other.

11.4 Legal Implications

A memorandum of agreement will be signed with the Airlines. And well as service level agreement.

12. RECOMMEDATIONS

It is recommended that the Executive Council should:

- 12.1 Approve the activation of Pilanesburg route immediately before December 2014 through SA Express based on its proposal.
- 12.2 Approve the activation of Mahikeng in February 2015
- 12.3 Approve that a memorandum of agreement and commercial agreement be signed for a 1 year period with an option to renew annually to the maximum of 5 years
- 12.4 That the Department should parallel to this explore other economically sustainable options of passenger flight;

12.5 Make it compulsory for any person in government to use the flight official duties around Gauteng and Cape Town

12.6 The Mafikeng to OR Tambo route should be 100% subsidized as proposed;

12.7 The Pilanesberg and OR Tambo and Pilanesberg and Cape Town routes should both receive 50 % subsidy scaling down in year four and five;

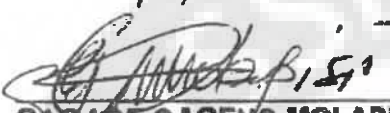


BAILEY MAHLAKOLENG

HEAD OF DEPARTMENT

COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

DATE 11/11/2014



GAGE OAGENG MOLAPISI

MEC COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

DATE: 18/11/2014





Annexure “KP 2”





AGREEMENT

Entered into by and between

DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT
(HEREINAFTER REFERRED TO AS 'THE DEPARTMENT')

(Duly represented by Thabang Bailey Mahlakoleng in his capacity as the Head of Department)

and

**SOUTH AFRICAN EXPRESS AIRWAYS SOC LIMITED (HEREINAFTER
REFERRED TO AS 'SA EXPRESS')**

(Duly represented by Inati Ntshanga in his capacity as Chief Executive Officer)

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ANNEXES

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1 INTERPRETATION

1.1 In this Agreement -

- 1.1.1 clause headings are for convenience only and are not to be used in its interpretation;
- 1.1.2 an expression which denotes -
 - 1.1.2.1 any gender includes the other genders;
 - 1.1.2.2 a natural person includes a juristic person and *vice versa*, and where the context so requires, it shall include the State, Local Authority or other governmental institution inclusive of the Minister of the State and a division of any Ministerial Department; and
 - 1.1.2.3 the singular includes the plural and *vice versa*.
 - 1.1.2.4 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings -
- 1.1.3 "Agreement" means this agreement;
- 1.1.4 "Airline Service" means the transportation of goods and/or persons on aircraft on the Designated Route by SA Express;
- 1.1.5 "SA Express" means South African Express Airways SOC Limited, registration number 1990/007412/30, a state-owned company duly registered in terms of the laws of the Republic of South Africa;
- 1.1.6 "Apron" means the area on Mafikeng and Pilanesburg Airports intended to accommodate aircraft for the purposes of loading and unloading passengers, cargo, parking or preparation for flight;



- 1.1.7 **"ATNS"** means Air Traffic and Navigational Services Limited, established in terms of Section 2 of the Air Traffic and Navigation Service Company Act, Act 45 of 1993;
- 1.1.8 **"Cape Town International Airport"** means Cape Town International Airport situated in Cape Town, Western Cape, South Africa;
- 1.1.9 **"SACAA"** means the South African Civil Aviation Authority established in terms of the provisions of Section 2 of the South African Civil Aviation Authority Act, Act 40 of 1998;
- 1.1.10 **"Designated Route"** means the route between Oliver Tambo International Airport, Cape Town International Airport, Pilanesburg Airport, Mafikeng Airport;
- 1.1.11 **"Effective Date"** means the 27th March 2015 for the OR Tambo International Airport, Cape Town International Airport and Pilanesburg Airport route, and the 1st May 2015 for the OR Tambo International Airport and Mafikeng Airport route;
- 1.1.12 **"Ground Handling Services"** means the standard ground handling services as more fully provided for in terms of the IATA Standard Ground Handling Agreement;
- 1.1.13 **"IATA"** means the International Air Transport Association;
- 1.1.14 **"ICAO"** means the International Civil Aviation Organization;
- 1.1.15 **"O.R Tambo International Airport"** means O.R Tambo International Airport situated in Gauteng the Republic of South Africa;
- 1.1.16 **"Mafikeng Airport"** means Mafikeng Airport situated at Mahikeng, North West Province;

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- 1.1.17 **"Department of Community Safety and Transport Management"** means the Department of Community Safety and Transport Management represented by Thabang Bailey Mahlakoleng, he being duly authorised thereto;
- 1.1.18 **"Parties"** means the Department and SA Express collectively and **"Party"** shall refer to either of them;
- 1.1.19 **"Pilanesburg Airport"** means Pilanesburg Airport situated in Rustenburg, North West Province, South Africa;
- 1.1.20 **"SAA"** means South African Airways SOC Limited Registration Number 1979/022444/30, a state-owned company duly registered in terms of the laws of the Republic of South Africa;
- 1.1.21 **"Signature Date"** means the date of signature of this Agreement by the Party last signing;
- 1.1.22 **"VAT"** means Value-Added Tax as levied from time to time in terms of the Value-Added Tax Act, 1991.
- 1.2 Any substantive provision, conferring rights or imposing obligations on a Party and appearing in any of the definitions in this clause 1 or elsewhere in this Agreement, shall be given effect to as if it were a substantive provision in the body of the Agreement.
- 1.3 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Agreement.
- 1.4 Subject to clauses 1.6 and 1.13, defined terms appearing in this Agreement in the title cases shall be given their meaning as defined, while the same

terms appearing in lower case shall be interpreted in accordance with their plain English meaning.

- 1.5 A reference to any statutory enactment shall be construed as a reference to that enactment as at the Signature Date and as amended or substituted from time to time.
- 1.6 Reference to "days" shall be construed as calendar days unless qualified by the word "business", in which instance a "business day" shall be any day other than a Saturday, Sunday or public holiday as gazetted by the government of the Republic of South Africa from time to time. Any reference to "business hours" shall be construed as being the hours between 08h30 and 17h00 on any business day. Any reference to time shall be based upon South African Standard Time.
- 1.7 Unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a business day, the next succeeding business day.
- 1.8 Where figures are referred to in numerical and in words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.
- 1.9 No provision herein shall be construed against or interpreted to the disadvantage of a Party by reason of such Party having or being deemed to have structured, drafted or introduced such provision.
- 1.10 The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the



clauses themselves do not expressly provide for this.

- 1.11 The words "include" and "including" mean "include without limitation" and "including without limitation". The use of the words "include" and "including" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.
- 1.12 Any reference in this Agreement to "this Agreement" or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document, as amended, varied, novated or supplemented from time to time.
- 1.13 This Agreement incorporates the annexes which annexes shall have the same force and effect as if set out in the body of this Agreement. In this Agreement the words "clause" or "clauses" and "annexe" or "annexes" refer to clauses of and annexes to this Agreement.
- 1.14 Headings to clauses are for reference purposes only and do not bear upon the interpretation of this Agreement.

2 INTRODUCTION

- 2.1 In response to the Request for Proposal for reintroduction of an Air Transport Service between OR Tambo International Airport, Cape Town International Airport, Pilanesburg Airport and Mafikeng Airport ('the Airports'), issued by Department of Community Safety and Transport Management ('the Department'), the Airline SA Express responded to request for proposals for the supply of the Airline Service subject to a subsidy from the Department, which request for proposal was duly accepted by the Department Executive Council.
- 2.2 In the event of any conflict between the provisions of any other agreement entered into between the Parties and the provisions of this Agreement, the

provisions of this Agreement shall prevail.

3 RECITALS

- 3.1 North West Province is the owner and licensee of Pilanesburg and Mafikeng Airports.
- 3.2 SA Express is capable of conducting the Airline Service in accordance with all relevant statutory and regulatory prescripts and with the type of aircraft mentioned in clause 10.1 of this Agreement, and able to provide the aircraft (including replacement aircraft should the aircraft employed in providing the Airline Service be unserviceable), crew, distribution, sales and airlines operational infrastructure for the operation of the airline service on the designated route.
- 3.3 SA Express has the operation and marketing expertise required for the operation of the Airline Service.
- 3.4 SA Express is a member of the Voyager programme which entitles all its passengers to earn Voyager miles on its flights which may then be redeemed on any Voyager participating member's flights. SA Express is permitted to use SAA tickets and as such enjoys Interlining arrangements with all SAA partners who are members of the Star Alliance.

4 AIRLINE SERVICES

- 4.1 SA Express and the Department hereby agree that SA Express shall, with effect from the Effective Date, commence the Airline Service on the Designated Route for a period of 5 (five) years calculated from the Effective Date.
- 4.2 As a contribution towards the costs of SA Express in providing the Airline Service, the Department shall grant to SA Express the subsidy as more



fully described in clause 6 hereof and on the terms and conditions as more fully set out in this Agreement.

- 4.3 Not later than 6 (six) months prior to the expiry of the period mentioned in clause 4.1, the Parties shall meet with the objectives of negotiating a continuation or discontinuation of the Airline Service on terms and conditions to be agreed between the Parties.

5 TICKET COSTS

- 5.1 The costs of tickets to be sold shall be as determined by SA Express and shall be subject to an annual increase in line with the airline's fare policy.
- 5.2 The costs of tickets aforesaid shall be exclusive of passenger service charges, security tax, fuel levies and VAT.

6 SUBSIDY

- 6.1 The Department shall pay to SA Express annually, in advance, the amount stipulated in annexe A, which amount is subject to review at the end of each year, by agreement between the Parties.
- 6.2 The obligation of the Department to pay monies in terms of clause 6.1 shall never exceed the amount mentioned therein.
- 6.3 Monies due in respect of penalties (if any) as contemplated in clause 8 of this Agreement shall be invoiced and payable by SA Express within 30 (thirty) days of receipt on the invoice, provided such penalties have been verified and agreed to by the parties.
- 6.4 Should SA Express have a query regarding any penalty, such query shall be made in writing by SA Express, within 14 (fourteen) days of receipt of the invoice and any amount payable in respect of such penalty shall be put on hold until the query has been resolved between the Parties.

- 6.5 The payment referred to in clause 6.1 shall be made within 5 (five) days of the effective date, and thereafter, on the same date of each following year.

7 QUARTERLY REPORTS

- 7.1 SA Express shall, on a quarterly basis, submit a written return to the Department, wherein it reports on -

7.1.1 the dates and number of flights undertaken during the relevant quarter ;

7.1.2 the number of passengers flown, together with the load factor achieved for that quarter on the Designated Route;

7.1.3 the time of departure from either of the airports (as the case may be) and the time of arrival at the relevant flight's destination, in respect of each flight;

7.1.4 details of marketing and promotion of the Airline Service done during that quarter and that contemplated for the next quarter, together with the costs and/or anticipated costs thereof; and

7.1.5 penalties raised against SA Express in terms of the provisions of clause 8 of this Agreement and the monetary value of such penalties calculated in accordance with the provisions of clause 8.3 of this Agreement.

8 PENALTIES

- 8.1 For purposes of this clause 8 only the following expressions shall each have the meaning ascribed thereto -

8.1.1 "Month" means a calendar month as defined in Article 2 of the Interpretation Act, Act 33 of 1957; and

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8.1.2 "Flight" means a flight as intended in clause 10.5 of this Agreement.

8.2 In the event of -

8.2.1 a Flight for the first time in a Month not leaving the airport from which it is supposed to depart to its destination, SA Express shall be debited with 1000 (one thousand) penalty points;

8.2.2 a Flight for the second time in the same Month not leaving the airport from which it is supposed to depart to its destination, SA Express shall be debited with 2000 (two thousand) penalty points for the non departure; and

8.2.3 a Flight for the third or more time in the same Month not leaving the airport from which it is supposed to depart to its destination, SA Express shall be debited with 5000 (five thousand) penalty points for each non departure.

8.3 The Department shall, on a Monthly basis, calculate the total penalty points accumulated by SA Express during each Month and express such total penalty points in monetary value. For this purpose, 1000 (one thousand) penalty points shall equate to R2,000.00 (two thousand rand).

8.4 The monetary value of the penalty points calculated in terms of the provisions of clause 8.3 shall be communicated to SA Express and SA Express shall be allowed a period of 14 (fourteen) days to make written representations to the Department in regard thereto. In the event of a dispute between the Parties as to whether a Flight has departed or not, a certificate on the letterhead of ATNS at the airport from which the Flight was supposed to depart shall be *prima facie* proof of whether such Flight departed or not.

8.5 There shall be no penalty imposed in respect of delays or Flights which do

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not depart from either Oliver Tambo International Airport or Mafikeng Airport due to factors beyond the control of SA Express or where the Parties, by prior arrangement, agree that a flight should not take place due to insufficient passengers or on a public holiday or if the Parties agree not to operate any day during off-peak holiday periods.

9 OBLIGATIONS OF DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT.

The Department has the following obligations -

- 9.1 to ensure that Pilanesburg and Mafikeng Airports are at all times in a good and operational condition and licensed to handle at least aircraft of Category 6 (six) capacity;
- 9.2 to provide the necessary staff (all duly trained) and equipment necessary to perform security checks of passengers, crew, baggage and cargo leaving Pilanesburg and Mafikeng Airports;
- 9.3 to ensure the attendance, at Pilanesburg and Mafikeng Airports, of employees of ATNS to provide air traffic control;
- 9.4 to pay to SA Express the monies due as more fully set out above in clause 6;
- 9.5 to do whatever is reasonably within its powers to support SA Express so as to ensure the success of the Airline Service;
- 9.6 to ensure that Pilanesburg and Mafikeng Airports are clean and presentable;
- 9.7 to ensure that during the duration of this Agreement fees and charges to users of Pilanesburg and Mafikeng Airports do not exceed those charged by Airports Company South Africa Limited at OR Tambo International

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Airport; and

- 9.8 to ensure that Pilanesburg and Mafikeng Airports remain open and operational from 1 (one) hour before the first scheduled flight is due to arrive, until 30 (thirty) minutes after the last scheduled flight has departed, each day.

10 OBLIGATIONS OF SA EXPRESS

SA Express shall -

- 10.1 with effect from the Effective Date, provide the Airline Service with CRJ 200 aircraft, including a suitable replacement aircraft should the aircraft employed in providing the Airline Service be unserviceable; alternatively with an aircraft of similar size, specification and capabilities;
- 10.2 obtain a prior written approval from the Department should it wish to replace the CRJ 200 aircraft with another type of aircraft;
- 10.3 provide the Airline Service from Mondays to Fridays, excluding public holidays;
- 10.4 provide the Airline Service on Saturdays and/or Sundays and/or public holidays if and for such time as there exists, in the reasonable discretion of SA Express, sufficient demand for such service. Such operations shall be for SA Express's own risk and reward and shall not be financially supported by the Department; and
- 10.5 ensure that the flights provided pursuant to the Airline Service shall depart and arrive as more fully set out in the flight schedule attached hereto as annexe "B";
- 10.6 pay, as provided for by Pilanesburg and Mafikeng Airports, to the Department the prescribed approach fees, landing fees and parking fees;

payment to be effected within 30 (thirty) days from invoice at such address or into such bank account as the Department or ATNS (as the case may be) may in writing advise;

- 10.7 provide, at the Airports, free of charge to passengers, the Ground Handling Services;
- 10.8 provide the entire infrastructure required for the provision of the Airline Service on the Designated Route, including but not limited to -
 - 10.8.1 the maintenance of the aircraft employed in the Airline Service;
 - 10.8.2 the provision of the aircrew;
 - 10.8.3 the supply of all fuel (at its own cost);
 - 10.8.4 insurance in respect of the following -
 - 10.8.4.1 Combined single limit – US\$ 250 000 000.00 per aircraft;
 - 10.8.4.2 Airside liability – US\$20 000 000.00; and
 - 10.8.4.3 Freight liability – US\$2 000 000.00 per aircraft;
 - 10.8.5 all the required licences, permits, consents and the like to enable it to conduct the Airline Service;
 - 10.8.6 a passenger service office on Pilanesburg and Mafikeng Airports, which shall be open during business hours and at all times manned by a person in appropriate uniform; and
 - 10.8.7 the sale of airline tickets, consisting of different classes, to members of the public
- 10.9 appoint and supervise ground staff required to run its stations at Pilanesburg and Mafikeng Airports and to attend at its airports and

passenger service offices during business hours;

- 10.10 attend at check-in gates and boarding gates counters;
- 10.11 appoint travel agents to market the Airline Service, in particular in Pilanesburg and Mahikeng and the catchment area and to conduct marketing campaigns and employ its marketing experience in promoting the Airline Service;
- 10.12 do whatever may be reasonably required from an airline to successfully conduct its business and employ the best practises in the aviation industry, and do what may be reasonably necessary to promote the Airline Service with the object of establishing a sustainable and profitable airline;
- 10.13 in respect of Pilanesburg and Mafikeng Airports -
 - 10.13.1 obtain all necessary permits for its employees, agents and vehicles for access to the airside ("airside" means the movement area reserved for aircraft to which access is controlled);
 - 10.13.2 pay the costs of any damage or harm caused which includes, but is not limited to, the costs of any repairs to or cleaning of the surface of the Apron where the need for such repairs to or cleaning arises as the result of any negligence or default by SA Express, its officers, employees, acting in the course and scope of their employment with SA Express and of its contractors, subcontractors or agents;
 - 10.13.3 SA Express shall comply with all procedures and/or permissions relating to airport access control and vehicle usage on the airside;
 - 10.13.4 conduct its operations in the manner that shall not compromise safety and security and shall adhere to all applicable procedures, policies and regulations;

- 10.13.5 use the Apron only as and when necessary for the discharge of its obligations, accepting that the Department at all times retain full possession and control of the Apron, including the right to give such direction(s) relating to the use of the Apron as may be appropriate or necessary;
- 10.13.6 not bring or permit the introduction into or onto Pilanesburg and Mafikeng Airports of any offensive, hazardous, noxious, toxic or dangerous substance, except if same are transported within the confines of the applicable legislation; and
- 10.13.7 not drop waste or litter on the Apron and all foreign objects shall be disposed of in the receptacles identified for that purpose and use its best endeavours to ensure that the Apron shall at all times be kept clean and tidy.

11 WARRANTIES BY SA EXPRESS

SA Express warrants to and in favour of the Department .

- 11.1 the correctness of the contents of clauses 3.2, 3.3, and 3.4 of this Agreement;
- 11.2 that for purposes of landing at and departure from OR Tambo and Cape Town International Airports it has access to slots at the required times;
- 11.3 that it has access to all necessary infrastructure, personnel, licences (which licences were, *inter alia*, issued in terms of the Air Services Licensing Act, Act 115 of 1990), operating certificates (*inter alia*, issued in terms of Parts 121, 127 and 135 of the CAA regulations, in terms of which it is authorised to operate air services in accordance with Operations Manuals approved, and in terms of the provisions of the Air Services Licensing Act, Act 115 of 1990, International Air Services Act, Act 60 of 1993, the Aviation Act, Act

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74 of 1962 and the Civil Aviation Offences Act, Act 10 of 1972), permits, consents and the like required to perform the Airline Service and that all such licenses, permits and consents are in full force and effect as at the Signature Date;

- 11.4 that it knows of no reason (having made all reasonable enquiries in this regard) why any such licence, permission or consent referred to in clause 11.3 would either be withdrawn or, as the case may be, not renewed during the duration of this Agreement;
- 11.5 that no litigation, arbitration, investigation or administrative proceeding is in progress as at the Signature Date, or to the best of its knowledge (having made all reasonable enquiries) threatened against it, which is likely to have a material adverse effect on the ability of SA Express to provide the Airline Service;
- 11.6 it is not subject to any obligation or non-compliance which is likely to have a material or adverse effect on its ability to provide the Airline Service;
- 11.7 no proceedings or other steps have been taken or, to the best of its knowledge (having made all reasonable enquiries) threatened for the winding up or liquidation (whether voluntary or involuntary, provisional or final), judicial management (whether provisional or final) or deregistration of SA Express or for the appointment of a liquidator, judicial management or similar officer over it or over any of its assets, or for the transfer from itself of its business; and
- 11.8 all information disclosed by or on behalf of the Airline in response to the Request for Proposal for Reintroduction of an Air Transport Service between the Airports, or in the subsequent request for proposal, is true, complete and accurate in all material respects and SA Express is not aware of any material facts or circumstances not disclosed to the Department

which would, if disclosed, be likely to have an adverse effect on the Department's decision to accept SA Express's proposal.

12 INSPECTION

12.1 SA Express shall at all reasonable times during the duration of this Agreement or on completion thereof, make all records relevant to the Airline Service available for inspection by either -

- 12.1.1** a representative of the Department;
- 12.1.2** any department of North West Province;
- 12.1.3** a representative of the Government of the Republic of South Africa; and/or
- 12.1.4** the agent of any one or more of the above.

12.2 For purposes of such inspection -

- 12.2.1** all premises of SA Express shall be accessible and open during business hours for such inspection, provided a reasonable prior notice of such inspection is given to SA Express; and
 - 12.2.2** SA Express shall supply, within 7 (seven) days of written demand, such information as it may be called upon to deliver, including copies of such documents as are under its control.
- 12.3** SA Express hereby irrevocably agrees that its financial standing may be examined as part of the inspection aforesaid.

13 ACCESS TO INFORMATION

13.1 SA Express shall provide the Department with all the information, documents, records and the like in the possession of, or available to, SA

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Express (and to this end SA Express shall use all reasonable endeavours to ensure that all such information shall be available to it) as may reasonably be requested by the Department for the purpose of complying with any of its statutory reporting obligations, including where pursuant to the Public Finance Management Act, 1999 or the Auditor-General Act, 1995.

13.2 Without limiting the generality of the foregoing, SA Express shall -

13.2.1 provide and shall procure that all its members shall provide all such information as the Department may reasonably require from time to time to enable it to provide reports and returns as it is legally obliged to do; and

13.2.2 note and facilitate the Department's compliance with the Promotion of Access to Information Act, 2000 in the event that the Department is required to provide information to any person pursuant to this Act.

14 OPERATIONAL COMMITTEE

14.1 An Operational Committee shall be established within 30 (thirty) days after the Signature Date.

14.2 The Operational Committee shall consist of a maximum of 2 (two) representatives each from the Department and SA Express.

14.3 The Operational Committee shall meet during the first 6 (six) months of this Agreement on a monthly basis in terms of a schedule to be approved at the first meeting, which shall take place within 30 (thirty) days after the Signature Date.

14.4 Meetings of the Operational Committee shall be at such venue(s) as the Operational Committee shall decide from time to time.

- 14.5 After the first 6 (six) months the Operational Committee shall determine the frequency, dates, times and venue of ensuing meetings.
- 14.6 The Chairperson of the Operational Committee shall be chosen at the first meeting and -
- 14.6.1 shall be chosen from one of the representatives and who shall hold office for a period of 12 (twelve) months;
- 14.6.2 shall thereafter be chosen from the representatives, save that he / she shall be from a Party different from that of the previous chairperson; and
- 14.6.3 shall not have a casting vote.
- 14.7 The duties of the Operational Committee include, but are not limited to the following -
- 14.7.1 to monitor the day-to-day performance of SA Express including the reason(s) for any penalty raised against SA Express as contemplated in clause 8;
- 14.7.2 to debate and address any difficulties and/or differences which either of the Parties may have experienced, or which are reasonably anticipated, including any complaint(s) from either Party or a member of the public;
- 14.7.3 to monitor compliance with the provisions of this Agreement;
- 14.7.4 to recommend amendment(s) to this Agreement to their principals;
- 14.7.5 to deal with dispute(s) as contemplated in clause 23 of this Agreement;
- 14.7.6 to appoint a secretary to the Operational Committee; and

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- 14.7.7 to decide the procedure(s) to be followed at its meetings, provided that such does not contradict the provisions of this Agreement.
- 14.8 Duly appointed alternate representatives shall be entitled to attend meetings of the Operational Committee should any member thereof not be available and such alternate representative shall have the right to speak thereat, but no alternate representative shall be entitled to vote if the member that he represents is present at such meeting.
- 14.9 A quorum for a meeting of the Operational Committee shall be one representative of each of the Parties, subject to due and proper notice of the meeting (which shall include the proposed agenda and any resolution to be proposed at the meeting) having been received by all the members of the Operational Committee at least 7 (seven) days before the date for which such meeting is scheduled.
- 14.10 If within half an hour or such longer period as those present may agree, after the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same time and day of the following week and written notice of such adjourned meeting shall be given to each member of the Operational Committee. If at such adjourned meeting a quorum is not present within half an hour or such longer period as those present may agree, after the time appointed for the meeting, those present shall form a quorum.
- 14.11 Each member of the Operational Committee shall be entitled to 1 (one) vote.
- 14.12 The issues raised at meetings of the Operational Committee shall be decided by a simple majority vote.
- 14.13 SA Express shall at each meeting report on the operation of the Airline

Service and without derogating from the generality of this expression, such report shall include -

- 14.13.1 the number of passengers per flight since the Effective Date or the last meeting of the Operational Committee, as the case may be;
 - 14.13.2 the growth or decline, as the case may be, of passengers per flight and the reason(s) therefore;
 - 14.13.3 the viability of the Airline Service;
 - 14.13.4 the demand, including the prospective demand, for the Airline Service;
 - 14.13.5 monies spent on advertising and the promotion of the Airline Service together with details of how and where such monies were spent;
 - 14.13.6 future advertising and promotion of the Airline Service;
 - 14.13.7 any information on penalties; and
- any other information which could be of interest to the Operational Committee or of value to either of the Parties.

15. MANAGEMENT COMPANY

- 15.1 SA Express shall, in consultation with the Department, appoint a management company responsible for managing certain facilities at Pilanesberg and Mafikeng airports.
- 15.2 SA Express and the Department shall be liable for the applicable fees for services rendered of the said management company.
- 15.3 SA Express shall enter into a Service Level Agreement with the management company, in terms of which the performance of the management company will be monitored and evaluated.

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- 15.4 For the purposes of development and skills transfer, SA Express shall train the employees of the management company, to be able to perform the functions in terms of the Service Level Agreement referred to in 15.3 above.

16 RELATIONSHIP

The relationship between the Parties as established in terms of this Agreement is not a partnership and each of the Parties is liable for its own liabilities emanating from the provision of the Airline Service as herein contemplated.

17 WAIVERS AND INDEMNITY

- 17.1 The Parties hereby waive whatever claim they have or may in future have against each other, save for a claim which emanates from their obligation(s) in terms of this Agreement.

- 17.2 The Department hereby -

- 17.2.1 indemnifies and holds SA Express free from any and all claims that may be instituted against SA Express, including the legal costs thereof calculated on attorney-and-own-client-scale, by third parties and which claims emanate from the provisions of this Agreement, unless pursuant to the gross negligence or wilful conduct of SA Express or its employees, agents or any person for whose actions SA Express is liable.

- 16.2.3 Similarly, SA Express hereby, save for a claim in favour of the Department which emanates from the obligation(s) of SA Express in terms of this Agreement, indemnifies and holds the Department free from any and all claims that may be instituted against SA Express, including the legal costs thereof calculated on attorney-and-own-client-scale, by third parties and which



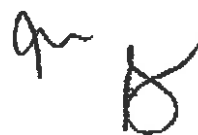
claims emanate from the provisions of this Agreement, unless pursuant to the gross negligence or wilful conduct of the Department or its employees, agents or any person for whose actions the Department is liable.

18 CONFIDENTIALITY

18.1 For purposes of this clause 18, "Confidential Information" shall mean any confidential information provided by one Party to the other or otherwise acquired including but not limited to all information which relates to the Request for a Proposal for the Airline Service, SA Express's response thereto, the tender process, the negotiations between the Department and SA Express which ensued, the contents of this Agreement or any correspondence or communications between the Parties, including the monthly returns to be submitted by SA Express in terms of the provisions of clause 7 of this Agreement and the agenda and minutes of the Operational Committee, irrespective of whether the Confidential Information emanates pursuant to discussions between the Parties, in writing or in electronic format.

18.2 The Parties shall -

- 18.2.1 use the Confidential Information only for purposes of protecting its interests emanating from this Agreement or for purposes of executing its obligations in terms hereof;
- 18.2.2 treat and safeguard the Confidential Information as private and confidential;
- 18.2.3 ensure proper and secure storage of the Confidential Information; and
- 18.2.4 not at any time, without the prior written consent of the other Party, disclose the Confidential Information to a third party.



19 FORCE MAJEURE

19.1 For purposes of this Agreement, "Force Majeure" means any of the following events or circumstances -

- 19.1.1 war, civil war, armed conflict or terrorism; or
- 19.1.2 nuclear contamination unless SA Express is the source or cause of the contamination; or
- 19.1.3 chemical or biological contamination from any of the events referred to in clause 19.1.1;
- 19.1.4 extreme bad weather conditions, acts or omissions of ATNS and/or the Department, strikes or lock-outs which make take off, flight or landing of the aircraft to be employed in terms of clause 10.1, dangerous to either the passengers or the aircraft;
- 19.1.5 unavoidable mechanical failure of aircraft including but not limited to ingestion into an engine of birds or foreign objects; or
- 19.1.6 any delay due to factors beyond the control of SA Express;

which directly cause either Party to be unable to comply with all or a material part of its obligations under this Agreement.

19.2 Subject to the provisions of clause 19.3, the Party claiming relief shall be relieved from liability under this Agreement to the extent that by reason of the Force Majeure event it is not able to perform all or a material part of its obligations under this Agreement.

19.3 Where a Party is (or claims to be) affected by an event of Force Majeure -

- 19.3.1 it shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this Agreement

and resume performance of its obligations affected by the event of Force Majeure as soon as practicable and use all reasonable endeavours to remedy its failure to perform; and

19.3.2 It shall not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to its failure to comply with its obligations under clause 19.3.1.

19.4 The Party claiming relief shall serve written notice on the other Party within 3 (three) days of it becoming aware of the relevant event of Force Majeure. Such initial notice shall give sufficient details to identify the particular event claimed to be an event of Force Majeure.

19.5 A subsequent written notice shall be served by the Party claiming the relief on the other Party within a further 7 (seven) days which shall contain such relevant information relating to the failure to perform (or delay in performing) as is available, including (without limitation) the effect of the event of Force Majeure on the ability of the Party to perform, the action taken in accordance with clause 19.3.1, the date of occurrence of the event of Force Majeure and an estimate of the period of time required to overcome it and/or its effect.

19.6 The Party claiming relief shall notify the other as soon as the consequences of the event of Force Majeure have ceased and when performance of its affected obligations can be resumed.

19.7 If, following the issue of a notice as contemplated in clause 19.5, the Party claiming relief receives or becomes aware of any further information relating to the event of Force Majeure (and/or any failure to perform), it shall submit such further information to the other Party as soon as reasonably possible.

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19.8 The Parties shall meet within 21 (twenty one) days calculated from the date on which the event of Force Majeure occurred, to agree to amendments to the contents of this Agreement in the light of the occurrence of the event of Force Majeure.

19.9 Should the Parties have failed to meet as contemplated in clause 19.8, or to reach agreement as contemplated in clause 19.8, either Party may at any time thereafter, but not later than 14 (fourteen) days after the date of the meeting contemplated in clause 19.8, terminate this Agreement by written notice to the other Party which termination shall have immediate effect on receipt thereof by the Party concerned.

20 BENEFIT

This Agreement shall be binding on the Parties, and shall be for the benefit of the Parties and the public at large.

21 ASSIGNMENT

Save as expressly permitted hereunder, a Party shall not, without the prior written approval of the other, assign, cede, delegate, transfer or otherwise dispose of any right or obligation under this Agreement to another person.

22 NOTICES AND DOMICILIA

22.1 The Parties select as their respective *domicilia citandi et executandi* the following physical addresses, and for the purposes of giving or sending any notice provided for or required under this Agreement or payment of any amount, or for any other purposes in terms of this Agreement, the said physical addresses as well as the following telefax numbers -

Name

Physical Address

Telefax

RP

am X

North West Province Safety House 31-34

018-381 9171

Molopo Road

Mafikeng

2745

Pnamate@nwpg.gov.za

Marked for the attention of: The Head of Department, Department of Transport

Name

SA Express

Physical Address

2nd Floor
E Block Offices
1 Jones Road
Airways Park

Telefax

011 978 5578

Marked for the attention of: The General Manager: Commercial

provided that a Party may change its *domicilium* or its address for the purposes of notices to any other physical address or telefax number by written notice to the other Party to that effect. Such change of address shall be effective 5 (five) business days after receipt of the notice of the change.

22.2 All notices to be given in terms of this Agreement shall be given in writing, in English, and shall -

22.2.1 be delivered by hand or sent by telefax;

22.2.2 if delivered by hand during business hours, be presumed to have been received on the date of delivery. Any notice delivered after business

hours or on a day which is not a business day shall be presumed to have been received on the following business day; and

22.2.3 if sent by telefax during business hours, be presumed to have been received on the date of successful transmission of the telefax. Any telefax sent after business hours or on a day which is not a business day shall be presumed to have been received on the following business day.

22.3 Notwithstanding the above, any notice given in writing in English, and actually received by the Party to whom the notice is addressed, shall be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this clause 22.

22.4 The Parties record that whilst they may correspond via email during the currency of this Agreement for operational reasons, no formal notice required in terms of this Agreement, nor any amendment of or variation to this Agreement may be given or concluded via email.

23 DISPUTE RESOLUTION

23.1 Any dispute which may arise between the Parties shall firstly be referred to the Operational Committee established in terms of the provisions of clause 14 of this Agreement for settlement and for purposes of the meeting of the Operational Committee to address such dispute, such meeting may be called by any of the Parties by giving not less than 7 (seven) days written notice to the other Party and to each of the members of the Operational Committee. For purposes of such meeting the provisions of clause 14 shall *mutatis mutandis* apply.

23.2 Should the Operational Committee be unable to resolve the dispute, same shall be referred to the Head of the Department, Department of Community



Safety and Transport Management, and the Chief Executive Officer of SA Express, who shall use their best endeavours to settle such dispute.

- 23.3 Should the dispute not be capable of settlement as contemplated in clause 23.2, then such dispute shall be referred to arbitration as provided for in clause 24.

24 ARBITRATION

- 24.1 Any and all disputes which may arise between the Parties shall be referred to, and settled by Arbitration as intended in this clause 24.
- 24.2 Subject to the provisions of clause 23, should any dispute arise between the Parties in regard to or arising out of -
- 24.2.1 the interpretation of this Agreement;
 - 24.2.2 the carrying into effect of this Agreement;
 - 24.2.3 the Parties' respective rights and obligations in terms of this Agreement;
 - 24.2.4 the rectification of this Agreement;
 - 24.2.5 the termination of this Agreement;
 - 24.2.6 any question as to whether a valid and binding agreement was concluded between the Parties or whether such agreement is of legal force or effect; or
 - 24.2.7 any other matter whatsoever emanating from this Agreement;

that dispute shall be submitted to and finally settled by arbitration. In the event of either Party disputing that a valid or binding agreement has been concluded, or disputing that the Agreement is of full force and effect, the Parties

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demanded, the matter shall be considered to be a legal dispute.

24.9 Should the Parties fail to agree upon an arbitrator within 14 (fourteen) days after the arbitration has been demanded, then the arbitrator shall be appointed at the request of either of the Parties by the President for the time being of the Law Society of the Northern Provinces or its successor in title or the President of the North West Bar Council.

24.10 The Parties irrevocably agree and undertake with each other that any award that may be made by the arbitrator -

24.10.1 shall be final and binding upon them;

24.10.2 shall be carried into effect; and

24.10.3 may be made an order of Court of jurisdiction.

24.11 This clause 24 is severable from the rest of this Agreement and shall remain in effect even if this Agreement is terminated or cancelled for any reason.

24.12 The receipt by any party to this Agreement of a notice in terms of the provisions of clause 24.3 shall constitute the service of a process for the purposes of interruption of prescription in terms of the provisions of Section 8 of the Prescription Act, Act 68 of 1969 or the corresponding provision in any amendment thereto or replacement legislation.

25 BREACH

Notwithstanding anything to the contrary contained in this Agreement, neither Party shall be entitled to cancel this Agreement in consequence of any breach by the other Party ("Guilty Party") unless such breach is -

25.1 a material breach; and



- 25.2 incapable of being remedied by payment of money or being rectified; or
- 25.3 capable of being remedied by the payment of money or being rectified, and -
- 25.3.1 the Guilty Party fails to pay such money within 30 (thirty) days from written demand by the innocent Party; or
- 25.3.2 the alleged breach or the amount claimed is contested, and the Guilty Party fails to pay such amount or to remedy such breach within 21 (twenty one) days calculated from the date on which same is finally adjudicated upon.

26 GENERAL

- 26.1 Subject to clause 26.2, this Agreement constitutes the whole of the agreement between the Parties relating to the matters dealt with herein and, save to the extent otherwise provided herein, no undertaking, representation, term or condition relating to the subject matter of this Agreement not incorporated in this Agreement shall be binding on either of the Parties.
- 26.2 Clause 26.1 shall not apply to any statement, representation or warranty made fraudulently, or to any provision of this Agreement which was induced by fraud, for which the remedies are available shall be all those available under the law governing this Agreement.
- 26.3 No addition to or variation, deletion, or agreed cancellation of all or any clauses or provisions of this Agreement shall be of any force or effect unless in writing and signed by the Parties.
- 26.4 No waiver of any of the terms and conditions of this Agreement shall be binding or effectual for any purpose unless in writing and signed by the

Party giving the same. Any such waiver shall be effective only in the specific instance and for the purpose given. Failure or delay on the part of either Party in exercising any right, power or privilege hereunder shall not constitute or be deemed to be a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

- 26.5 All provisions and the various clauses of this Agreement are, notwithstanding the manner in which they have been grouped together or linked grammatically, severable from each other. Any provision or clause of this Agreement which is or becomes unenforceable in any jurisdiction, whether due to voidness, invalidity, illegality, unlawfulness or for any other reason whatever, shall, in such jurisdiction only and only to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions and clauses of this Agreement shall remain of full force and effect. The Parties declare that it is their intention that this Agreement would be executed without such unenforceable provision if they were aware of such unenforceability at the time of execution hereof.
- 26.6 Any consent or approval required to be given by either Party in terms of this Agreement shall, unless specifically otherwise stated, not be unreasonably withheld.
- 26.7 This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts.



27 APPLICABLE LAW AND JURISDICTION

27.1 This Agreement shall in all respects be governed by and construed under the laws of the Republic of South Africa.

27.2 Subject to the provisions of clauses 23 and 24, the Parties hereby consent and submit to the exclusive jurisdiction of the North West High Court of the Republic of South Africa in any dispute arising from or in connection with this Agreement. The Parties agree that any costs awarded shall be recoverable on an attorney-and-own-client scale unless the Court specifically determines that such scale shall not apply, in which event the costs will be recoverable in accordance with the High Court tariff, determined on an attorney-and-client scale.

28 SUPPORT

28.1 The Parties undertake at all times to do all such things, perform all such actions and take all such steps (including in particular the exercise of the respective voting rights on the Operational Committee) and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for or incidental to the putting into effect or maintenance of the terms, conditions and/or import of this Agreement.

28.2 The Parties undertake at all times to exercise utmost good faith in their dealings with each other.



29 COSTS

Each party shall bear and pay its own legal costs and expenses of and incidental to the negotiation, drafting, preparation and implementation of this agreement.

30 SIGNATURE

Signed on behalf of the Parties, each signatory hereto warranting that he/she has due authority to do so.

Signed for and on behalf of the DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT (NORTH WEST PROVINCE)			
Signature: 			
Signed at	Motlale	Date	31/02/2015
Full name	MR. THABANG BAILEY MAHLAKOLENG		
Designation	HEAD OF DEPARTMENT		
	(Who warrants that he is duly authorized as Acting Head of Department or delegated by virtue of his position)		
As witnesses	1.	2.	
Signature on			
1& 2 and full			
Names below			
Signed at:		Date	





Signed for and on behalf of SA EXPRESS LTD

Signature: Inathi Ntshanga

Full Name	INATHI NTSHANGA		
Designation	CEO SA EXPRESS		
Signed at:		Date	
(Who warrants that he is duly authorized as the..... or delegated by virtue of his position)			
As Witnesses	1.	2.	
Signature on			
1 & 2 and full			
Names below			
Signed at:		Date:	

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ANNEXE "A"

SUBSIDY STRUCTURE

North West Subsidy					
Pilanesberg	Y1 50%	Y2 40%	Y3 30%	Y4 30%	Y5 30%
Concession - Airline Subsidy	23 825 456	19 063 565	14 297 674	14 297 674	14 297 674
Concession - Airline Subsidy	11 914 728	9 531 782	7 148 837	7 148 837	7 148 837
Concession - Airline Subsidy	11 914 728	9 531 782	7 148 837	7 148 837	7 148 837
Mafikeng					
Concession - Airline Subsidy	Y1 100%	Y2 95%	Y3 85%	Y4 75%	Y5 65%
	34 457 674	32 734 790	29 289 029	25 843 255	22 397 488
Total Subsidy	58 287 130	51 798 355	43 586 696	40 140 929	36 895 162

North West Subsidy					
Pilanesberg & Mafikeng	Y1	Y2	Y3	Y4	Y5
Route Marketing Subsidy	44 000 000	22 000 000	22 000 000	22 000 000	22 000 000
Set Up costs, Operations and Contingency Costs	10 000 000	9 700 000	9 100 000	9 100 000	9 100 000
Total Subsidy	54 000 000	31 700 000	31 100 000	31 100 000	31 100 000
Total Subsidy	112 287 130	83 498 355	74 686 696	71 240 929	67 995 162

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ANNEXE "B"

FLIGHT SCHEDULE include for the airports

Johannesburg - Pietersburg Schedule								
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1261	JNB	NTY	50	09:30	10:20	00:50	1-3-5--
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1264	NTY	JNB	50	10:55	11:45	00:50	-3---
CR2	SA1268	NTY	JNB	50	16:20	17:20	01:00	1--5-
Cape Town - Pietersburg Schedule								
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1255	CPT	NTY	50	13:50	16:00	02:10	1--5--
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1254	NTY	CPT	50	11:00	13:20	02:20	1--5-
Johannesburg - Mafikeng Schedule								
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1121	JNB	MBD	50	05:50	06:40	00:50	1-3-5--
CR2	SA1127	JNB	MBD	50	17:55	18:45	00:50	1-3-5--
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1122	MBD	JNB	50	07:05	07:55	00:50	1-3-5--
CR2	SA1128	MBD	JNB	50	19:30	20:20	00:50	1-3-5--



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Annexure “KP 3”





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Department:
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



OFFICE OF THE HEAD OF DEPARTMENT

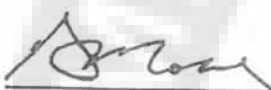
Safety House 31-34 Malapa Road
Mafikeng, 2745
P.O. Box 19 Mmabatho 2736
Tel: +27 (18) 361 9101/102
Fax: +27 (18) 361 5871
bmgosazane@nwpg.gov.za

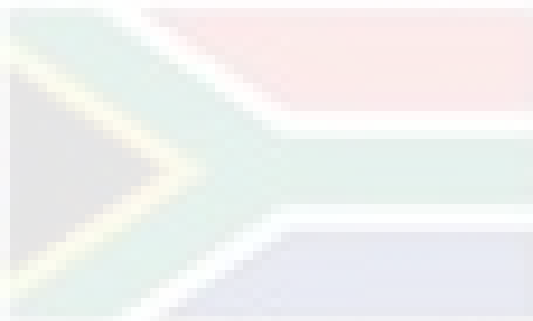
The Acting Director General
Office of the Premier
Garona

Dear Prof Mokgoro

Attached please SA Express documents for your urgent attention and processing of payment.

Regards


BAILEY MAHLAKOLENG
HEAD OF DEPARTMENT
DATE: 16/03/15



"Together we move Bokone Bophirima forward"



TAX INVOICE

TO

NORTHWEST DEPARTMENT OF COMMUNITY

MOLOPO ROAD
31-34 SAFETY HOUSE
2735

Invoice Number: 1800008892
Invoice Date: 31.03.2016
Debtor Account: SAXNWDCST
Debtor Vat Reg No:



Registration No 90/07412/07
Vat Reg No: 4400140499

4th Floor, E Block, 1 Jones Road, Airways Park
PO Box 101, OR Tambo International Airport, 1627
Tel: Accounts (011) 978 2457
Tel: Administration (011) 978 8600
Website: www.flyexpress.aero

Order No	Description	Net Amount	Vat Amount	Total Amount
2016/7 SUB	2016/17 ROUTE SUBSIDY NTY/MBD	51,798,355.00	0.00	51,798,355.00
Totals:		51,798,355.00	0.00	ZAR 51,798,355.00

TERMS OF PAYMENT: Strictly NETT on presentation. A 2% surcharge per month will be charged on all accounts exceeding 30 days.

METHOD OF PAYMENT: Cheque's - made out to SA Express Airways(PTY) Limited and posted to the address above,

FOR ATT: REVENUE ACCOUNTS or deposits made into our bank account:

FIRST NATIONAL BANK BRANCH CODE: 25-32-42

ACCOUNT NO - 62013714466/62013714288

Please fax/post remittance advice to 0866515720 FOR ATT: REVENUE ACCOUNTS

Board of Directors: A Mabizela (Chairman), J Ntshanga*
(Chief Executive Officer), B P B Dibete, N B Gumile, P E
Mabiyana, N P Moshimane, G N Mothema, K T Nondumo,
B Ssemule**

Company Secretary: B L Mthabula
* Executive Director ** Ugandan

Annexure “KP 4”



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AGREEMENT

Entered into by and between

DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT
(HEREINAFTER REFERRED TO AS 'THE DEPARTMENT')

(Duly represented by Thabang Bailey Mahlakoleng in his capacity as the Head of Department)

and

SOUTH AFRICAN EXPRESS AIRWAYS SOC LIMITED

(HEREINAFTER REFERRED TO AS 'SA EXPRESS')

(Duly represented by Inati Ntshanga in his capacity as Chief Executive Officer)

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ANNEXES

ANNEXE "A" : SUBSIDY STRUCTURE

ANNEXE "B" : FLIGHT SCHEDULE

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1 INTERPRETATION

1.1 In this Agreement -

1.1.1 clause headings are for convenience only and are not to be used in its interpretation;

1.1.2 an expression which denotes -

1.1.2.1 any gender includes the other genders;

1.1.2.2 a natural person includes a juristic person and *vice versa*, and where the context so requires, it shall include the State, Local Authority or other governmental institution inclusive of the Minister of the State and a division of any Ministerial Department; and

1.1.2.3 the singular includes the plural and *vice versa*.

1.2 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings -

1.2.1 "Agreement" means this agreement;

1.2.2 "Airline" means SA Express;

1.2.3 "Airline Service" means the transportation of goods and/or persons on aircraft on the Designated Route by SA Express;

1.2.4 "Apron" means the area on Mafikeng and Pilanesburg Airports intended to accommodate aircraft for the purposes of loading and unloading passengers, cargo, parking or preparation for flight;

1.2.5 "ATNS" means Air Traffic and Navigational Services Limited, established in terms of Section 2 of the Air Traffic and Navigation

SERVICE LEVEL AGREEMENT - SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY
SAFETY AND TRANSPORT MANAGEMENT

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Service Company Act, Act 45 of 1993;

- 1.2.6 **"Bridging Training"** means any and all training required for the individual cadet pilot to attain the required standard for type conversion training;
- 1.2.7 **"Cadet Pilot(s)"** means a pilot holding a commercial pilot's licence (CPL) with less than 1000 hours total flying time, who undertakes a specific training programme within the Airline in order to bridge the lower level of experience;
- 1.2.8 **"Cape Town International Airport"** means Cape Town International Airport situated in Cape Town, Western Cape, South Africa;
- 1.2.9 **"Department of Community Safety and Transport Management"** means the Department of Community Safety and Transport Management represented by Thabang Bailey Mahlakoleng, he being duly authorised thereto;
- 1.2.10 **"Designated Route"** means the route between Oliver Tambo International Airport, Cape Town International Airport, Pilanesburg Airport, Mafikeng Airport;
- 1.2.11 **"Effective Date"** means the 27th March 2015 for the OR Tambo International Airport, Cape Town International Airport and Pilanesburg Airport route, and the 1st May 2015 for the OR Tambo International Airport and Mafikeng Airport route;
- 1.2.12 **"First Officer"** means a person holding a commercial pilot license with an aircraft type endorsement to operate in the right hand seat of the flight deck of the Airline;
- 1.2.13 **"Ground Handling Services"** means the standard ground handling

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

services as more fully provided for in terms of the IATA Standard Ground Handling Agreement;

- 1.2.14 "IATA" means the International Air Transport Association;
- 1.2.15 "ICAO" means the International Civil Aviation Organization;
- 1.2.16 "O.R Tambo International Airport" means O.R Tambo International Airport situated in Gauteng the Republic of South Africa;
- 1.2.17 "Mafikeng Airport" means Mafikeng Airport situated at Mahikeng, North West Province;
- 1.2.18 "Parties" means the Department and SA Express collectively and "Party" shall refer to either of them;
- 1.2.19 "Pilanesburg Airport" means Pilanesburg Airport situated in Rustenburg, North West Province, South Africa;
- 1.2.20 "SAA" means South African Airways SOC Limited Registration Number 1979/022444/30, a state-owned company duly registered in terms of the laws of the Republic of South Africa;
- 1.2.21 "SACAA" means the South African Civil Aviation Authority established in terms of the provisions of Section 2 of the South African Civil Aviation Authority Act, Act 40 of 1998;
- 1.2.22 "SA Express" means South African Express Airways SOC Limited, registration number 1990/007412/30, a state-owned company duly registered in terms of the laws of the Republic of South Africa;
- 1.2.23 "Signature Date" means the date of signature of this Agreement by the Party last signing;
- 1.2.24 "Type Conversion Training" means the training required, inclusive of

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

simulator training, in order for the cadet pilot to qualify as a type rated first officer at SA Express;

1.2.25 "VAT" means Value-Added Tax as levied from time to time in terms of the Value-Added Tax Act, 1991.

1.3 Any substantive provision, conferring rights or imposing obligations on a Party and appearing in any of the definitions in this clause 1 or elsewhere in this Agreement, shall be given effect to as if it were a substantive provision in the body of the Agreement.

1.4 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Agreement.

1.5 Subject to clauses 1.7 and 1.14, defined terms appearing in this Agreement in the title cases shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.

1.6 A reference to any statutory enactment shall be construed as a reference to that enactment as at the Signature Date and as amended or substituted from time to time.

1.7 Reference to "days" shall be construed as calendar days unless qualified by the word "business", in which instance a "business day" shall be any day other than a Saturday, Sunday or public holiday as gazetted by the government of the Republic of South Africa from time to time. Any reference to "business hours" shall be construed as being the hours between 08h30 and 17h00 on any business day. Any reference to time shall be based upon South African Standard Time.

- 1.8 Unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a business day, the next succeeding business day.
- 1.9 Where figures are referred to in numericals and in words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.
- 1.10 No provision herein shall be construed against or interpreted to the disadvantage of a Party by reason of such Party having or being deemed to have structured, drafted or introduced such provision.
- 1.11 The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.
- 1.12 The words "include" and "including" mean "include without limitation" and "including without limitation". The use of the words "include" and "including" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.
- 1.13 Any reference in this Agreement to "this Agreement" or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document, as amended, varied, novated or supplemented from time to time.
- 1.14 This Agreement incorporates the annexes which annexes shall have the same force and effect as if set out in the body of this Agreement. In this Agreement the words "clause" or "clauses" and "annexe" or "annexes" refer

to clauses of and annexes to this Agreement.

- 1.15 Headings to clauses are for reference purposes only and do not bear upon the interpretation of this Agreement.

2 INTRODUCTION

- 2.1 In response to the Request for Proposal for reintroduction of an Air Transport Service between OR Tambo International Airport, Cape Town International Airport, Pilanesburg Airport and Mafikeng Airport ('the Airports'), issued by Department of Community Safety and Transport Management ('the Department'), the Airline SA Express responded to request for proposals for the supply of the Airline Service subject to a subsidy from the Department, which request for proposal was duly accepted by the Department Executive Council.

- 2.2 In the event of any conflict between the provisions of any other agreement entered into between the Parties and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3 RECITALS

- 3.1 North West Province is the owner and licensee of Pilanesburg and Mafikeng Airports.
- 3.2 SA Express is capable of conducting the Airline Service in accordance with all relevant statutory and regulatory prescripts and with the type of aircraft mentioned in clause 10.1 of this Agreement, and able to provide the aircraft (including replacement aircraft should the aircraft employed in providing the Airline Service be unserviceable), crew, distribution, sales and airlines operational infrastructure for the operation of the airline service on the designated route.

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3.3 SA Express has the operation and marketing expertise required for the operation of the Airline Service.

3.4 SA Express is a member of the Voyager programme which entitles all its passengers to earn Voyager miles on its flights which may then be redeemed on any Voyager participating member's flights. SA Express is permitted to use SAA tickets and as such enjoys Interlining arrangements with all SAA partners who are members of the Star Alliance.

4 AIRLINE SERVICES

4.1 SA Express and the Department hereby agree that SA Express shall, with effect from the Effective Date, commence the Airline Service on the Designated Route for a period of 5 (five) years calculated from the Effective Date.

4.2 Without in any way derogating from any other provisions of this Agreement providing for termination in certain circumstances, and notwithstanding the duration of this Agreement as set out in clause 4.1, SA Express may, at any time, terminate the Agreement by giving the Department six (6) months prior written notice.

4.3 As a contribution towards the costs of SA Express in providing the Airline Service, the Department shall grant to SA Express the subsidy as more fully described in clause 6 hereof and on the terms and conditions as more fully set out in this Agreement.

4.4 Not later than 6 (six) months prior to the expiry of the period mentioned in clause 4.1, the Parties shall meet with the objectives of negotiating a continuation or discontinuation of the Airline Service on terms and conditions to be agreed between the Parties.

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5 TICKET COSTS

- 5.1 The costs of tickets to be sold shall be as determined by SA Express and shall be subject to an annual increase in line with the airline's fare policy.
- 5.2 The costs of tickets aforesaid shall be exclusive of passenger service charges, security tax, fuel levies and VAT.

6 SUBSIDY

- 6.1 The Department shall pay to SA Express the subsidy and the Management Company the operational costs of both airports annually, in advance, the amount stipulated in annexe A.
- 6.2 In the event that the Parties fail to reach an agreement during the annual review as set out in clause 6.1, and the proposed review is of the amount payable by the Department as stipulated in annex A, SA Express shall be entitled to terminate this Agreement by giving six months written notice and shall be entitled to payment in accordance with annex A, during such notice period.
- 6.3 The obligation of the Department to pay monies in terms of clause 6.1 shall never exceed the amount mentioned therein.
- 6.4 Monies due in respect of penalties (if any) as contemplated in clause 8 of this Agreement shall be invoiced and payable by SA Express within 30 (thirty) days of receipt on the invoice, provided such penalties have been verified and agreed to by the parties.
- 6.5 Should SA Express have a query regarding any penalty, such query shall be made in writing by SA Express, within 14 (fourteen) days of receipt of the invoice and any amount payable in respect of such penalty shall be put on hold until the query has been resolved between the Parties.

- 6.6 The payment referred to in clause 6.1 shall be made within 5 (five) days of the effective date, and thereafter, on the same date of each following year.

7 QUARTERLY REPORTS

- 7.1 SA Express shall, on a quarterly basis, submit a written return to the Department, wherein it reports on -

- 7.1.1 the dates and number of flights undertaken during the relevant quarter;
- 7.1.2 the number of passengers flown, together with the load factor achieved for that quarter on the Designated Route;
- 7.1.3 the time of departure from either of the airports (as the case may be) and the time of arrival at the relevant flight's destination, in respect of each flight;
- 7.1.4 details of marketing and promotion of the Airline Service done during that quarter and that contemplated for the next quarter, together with the costs and/or anticipated costs thereof; and
- 7.1.5 penalties raised against SA Express in terms of the provisions of clause 8 of this Agreement and the monetary value of such penalties calculated in accordance with the provisions of clause 8.3 of this Agreement.

8 PENALTIES

- 8.1 For purposes of this clause 8 only the following expressions shall each have the meaning ascribed thereto -

- 8.1.1 "Month" means a calendar month as defined in Article 2 of the Interpretation Act, Act 33 of 1957; and
- 8.1.2 "Flight" means a flight as intended in clause 10.5 of this Agreement.

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8.2 In the event of -

8.2.1 a Flight for the first time in a Month not leaving the airport from which it is supposed to depart to its destination, SA Express shall be debited with 1000 (one thousand) penalty points;

8.2.2 a Flight for the second time in the same Month not leaving the airport from which it is supposed to depart to its destination, SA Express shall be debited with 2000 (two thousand) penalty points for the non departure; and

8.2.3 a Flight for the third or more time in the same Month not leaving the airport from which it is supposed to depart to its destination, SA Express shall be debited with 5000 (five thousand) penalty points for each non departure.

8.3 The Department shall, on a Monthly basis, calculate the total penalty points accumulated by SA Express during each Month and express such total penalty points in monetary value. For this purpose, 1000 (one thousand) penalty points shall equate to R2,000.00 (two thousand rand).

8.4 The monetary value of the penalty points calculated in terms of the provisions of clause 8.3 shall be communicated to SA Express and SA Express shall be allowed a period of 14 (fourteen) days to make written representations to the Department in regard thereto. In the event of a dispute between the Parties as to whether a Flight has departed or not, a certificate on the letterhead of ATNS at the airport from which the Flight was supposed to depart shall be *prima facie* proof of whether such Flight departed or not.

8.5 There shall be no penalty imposed in respect of delays or Flights which do not depart from either Oliver Tambo International Airport or Mafikeng

Airport due to factors beyond the control of SA Express or where the Parties, by prior arrangement, agree that a flight should not take place due to insufficient passengers or on a public holiday or if the Parties agree not to operate any day during off-peak holiday periods.

9 OBLIGATIONS OF DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT.

The Department has the following obligations -

- 9.1 to ensure that Pilanesburg and Mafikeng Airports are at all times in a good and operational condition and licensed to handle at least aircraft of Category 6 (six) capacity;
- 9.2 to provide the necessary staff (all duly trained) and equipment necessary to perform security checks of passengers, crew, baggage and cargo leaving Pilanesburg and Mafikeng Airports;
- 9.3 to ensure the attendance, at Pilanesburg and Mafikeng Airports, of employees of ATNS to provide air traffic control;
- 9.4 to pay to SA Express and the Management Company the monies due as more fully set out above in clause 6;
- 9.5 to do whatever is reasonably within its powers to support SA Express so as to ensure the success of the Airline Service;
- 9.6 to ensure that Pilanesburg and Mafikeng Airports are clean and presentable;
- 9.7 to ensure that during the duration of this Agreement fees and charges to users of Pilanesburg and Mafikeng Airports do not exceed those charged by Airports Company South Africa Limited at OR Tambo International Airport; and

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- 9.8 to ensure that Pilanesburg and Mafikeng Airports remain open and operational from 1 (one) hour before the first scheduled flight is due to arrive, until 30 (thirty) minutes after the last scheduled flight has departed, each day.

10 OBLIGATIONS OF SA EXPRESS

SA Express shall -

- 10.1 with effect from the Effective Date, provide the Airline Service with CRJ 200 aircraft, including a suitable replacement aircraft should the aircraft employed in providing the Airline Service be unserviceable; alternatively with an aircraft of similar size, specification and capabilities;
- 10.2 obtain a prior written approval from the Department should it wish to replace the CRJ 200 aircraft with another type of aircraft;
- 10.3 provide the Airline Service from Mondays to Fridays, excluding public holidays;
- 10.4 provide the Airline Service on Saturdays and/or Sundays and/or public holidays if and for such time as there exists, in the reasonable discretion of SA Express, sufficient demand for such service. Such operations shall be for SA Express's own risk and reward and shall not be financially supported by the Department; and
- 10.5 ensure that the flights provided pursuant to the Airline Service shall depart and arrive as more fully set out in the flight schedule attached hereto as annexe "B";
- 10.6 pay, as provided for by Pilanesburg and Mafikeng Airports, to the Department the prescribed approach fees, landing fees and parking fees; payment to be effected within 30 (thirty) days from invoice at such address

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or into such bank account as the Department or ATNS (as the case may be) may in writing advise;

10.7 provide, at the Airports, free of charge to passengers, the Ground Handling Services;

10.8 provide the entire infrastructure required for the provision of the Airline Service on the Designated Route, including but not limited to -

10.8.1 the maintenance of the aircraft employed in the Airline Service;

10.8.2 the provision of the aircrew;

10.8.3 the supply of all fuel (at its own cost);

10.8.4 insurance in respect of the following -

10.8.4.1 Combined single limit – US\$ 250 000 000.00 per aircraft;

10.8.4.2 Airside liability – US\$20 000 000.00; and

10.8.4.3 Freight liability – US\$2 000 000.00 per aircraft;

10.8.5 all the required licences, permits, consents and the like to enable it to conduct the Airline Service;

10.8.6 a passenger service office on Pilanesburg and Mafikeng Airports, which shall be open during business hours and at all times manned by a person in appropriate uniform; and

10.8.7 the sale of airline tickets, consisting of different classes, to members of the public

10.9 appoint and supervise ground staff required to run its stations at Pilanesburg and Mafikeng Airports and to attend at its airports and passenger service offices during business hours;

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11 WARRANTIES BY SA EXPRESS

SA Express warrants to and in favour of the Department -

- 11.1 the correctness of the contents of clauses 3.2, 3.3, and 3.4 of this Agreement;
- 11.2 that for purposes of landing at and departure from OR Tambo and Cape Town International Airports it has access to slots at the required times;
- 11.3 that it has access to all necessary infrastructure, personnel, licences (which licences were, *inter alia*, issued in terms of the Air Services Licensing Act, Act 115 of 1990), operating certificates (*inter alia*, issued in terms of Parts 121, 127 and 135 of the CAA regulations, in terms of which it is authorised to operate air services in accordance with Operations Manuals approved, and in terms of the provisions of the Air Services Licensing Act, Act 115 of 1990, International Air Services Act, Act 60 of 1993, the Aviation Act, Act 74 of 1962 and the Civil Aviation Offences Act, Act 10 of 1972), permits, consents and the like required to perform the Airline Service and that all such licenses, permits and consents are in full force and effect as at the Signature Date;
- 11.4 that it knows of no reason (having made all reasonable enquiries in this regard) why any such licence, permission or consent referred to in clause 11.3 would either be withdrawn or, as the case may be, not renewed during the duration of this Agreement;
- 11.5 that no litigation, arbitration, investigation or administrative proceeding is in progress as at the Signature Date, or to the best of its knowledge (having made all reasonable enquiries) threatened against it, which is likely to have a material adverse effect on the ability of SA Express to provide the Airline Service;

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- 11.6 it is not subject to any obligation or non-compliance which is likely to have a material or adverse effect on its ability to provide the Airline Service;
- 11.7 no proceedings or other steps have been taken or, to the best of its knowledge (having made all reasonable enquiries) threatened for the winding up or liquidation (whether voluntary or involuntary, provisional or final), judicial management (whether provisional or final) or deregistration of SA Express or for the appointment of a liquidator, judicial management or similar officer over it or over any of its assets, or for the transfer from itself of its business; and
- 11.8 all information disclosed by or on behalf of the Airline in response to the Request for Proposal for Reintroduction of an Air Transport Service between the Airports, or in the subsequent request for proposal, is true, complete and accurate in all material respects and SA Express is not aware of any material facts or circumstances not disclosed to the Department which would, if disclosed, be likely to have an adverse effect on the Department's decision to accept SA Express's proposal.

12 INSPECTION

- 12.1 SA Express shall at all reasonable times during the duration of this Agreement or on completion thereof, make all records relevant to the Airline Service available for inspection by either -
- 12.1.1 a representative of the Department;
 - 12.1.2 any department of North West Province;
 - 12.1.3 a representative of the Government of the Republic of South Africa; and/or
 - 12.1.4 the agent of any one or more of the above

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- 14.7.1 to monitor the day-to-day performance of SA Express including the reason(s) for any penalty raised against SA Express as contemplated in clause 8;
- 14.7.2 to debate and address any difficulties and/or differences which either of the Parties may have experienced, or which are reasonably anticipated, including any complaint(s) from either Party or a member of the public;
- 14.7.3 to monitor compliance with the provisions of this Agreement;
- 14.7.4 to recommend amendment(s) to this Agreement to their principals;
- 14.7.5 to deal with dispute(s) as contemplated in clause 23 of this Agreement;
- 14.7.6 to appoint a secretary to the Operational Committee; and
- 14.7.7 to decide the procedure(s) to be followed at its meetings, provided that such does not contradict the provisions of this Agreement.
- 14.8 Duly appointed alternate representatives shall be entitled to attend meetings of the Operational Committee should any member thereof not be available and such alternate representative shall have the right to speak thereat, but no alternate representative shall be entitled to vote if the member that he represents is present at such meeting.
- 14.9 A quorum for a meeting of the Operational Committee shall be one representative of each of the Parties, subject to due and proper notice of the meeting (which shall include the proposed agenda and any resolution to be proposed at the meeting) having been received by all the members of the Operational Committee at least 7 (seven) days before the date for which such meeting is scheduled.
- 14.10 If within half an hour or such longer period as those present may agree,

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after the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same time and day of the following week and written notice of such adjourned meeting shall be given to each member of the Operational Committee. If at such adjourned meeting a quorum is not present within half an hour or such longer period as those present may agree, after the time appointed for the meeting, those present shall form a quorum.

14.11 Each member of the Operational Committee shall be entitled to 1 (one) vote.

14.12 The issues raised at meetings of the Operational Committee shall be decided by a simple majority vote.

14.13 SA Express shall at each meeting report on the operation of the Airline Service and without derogating from the generality of this expression, such report shall include -

14.13.1 the number of passengers per flight since the Effective Date or the last meeting of the Operational Committee, as the case may be;

14.13.2 the growth or decline, as the case may be, of passengers per flight and the reason(s) therefore;

14.13.3 the viability of the Airline Service;

14.13.4 the demand, including the prospective demand, for the Airline Service;

14.13.5 monies spent on advertising and the promotion of the Airline Service together with details of how and where such monies were spent;

14.13.6 future advertising and promotion of the Airline Service;

14.13.7 any information on penalties; and

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12.2 For purposes of such inspection -

12.2.1 all premises of SA Express shall be accessible and open during business hours for such inspection, provided a reasonable prior notice of such inspection is given to SA Express; and

12.2.2 SA Express shall supply, within 7 (seven) days of written demand, such information as it may be called upon to deliver, including copies of such documents as are under its control.

12.3 SA Express hereby irrevocably agrees that its financial standing may be examined as part of the inspection aforesaid.

13 ACCESS TO INFORMATION

13.1 SA Express shall provide the Department with all the information, documents, records and the like in the possession of, or available to, SA Express (and to this end SA Express shall use all reasonable endeavours to ensure that all such information shall be available to it) as may reasonably be requested by the Department for the purpose of complying with any of its statutory reporting obligations, including where pursuant to the Public Finance Management Act, 1999 or the Auditor-General Act, 1995.

13.2 Without limiting the generality of the foregoing, SA Express shall -

13.2.1 provide and shall procure that all its members shall provide all such information as the Department may reasonably require from time to time to enable it to provide reports and returns as it is legally obliged to do; and

13.2.2 note and facilitate the Department's compliance with the Promotion of Access to Information Act, 2000 in the event that the Department is

required to provide information to any person pursuant to this Act.

14 OPERATIONAL COMMITTEE

14.1 An Operational Committee shall be established within 30 (thirty) days after the Signature Date.

14.2 The Operational Committee shall consist of a maximum of 2 (two) representatives each from the Department and SA Express.

14.3 The Operational Committee shall meet during the first 6 (six) months of this Agreement on a monthly basis in terms of a schedule to be approved at the first meeting, which shall take place within 30 (thirty) days after the Signature Date.

14.4 Meetings of the Operational Committee shall be at such venue(s) as the Operational Committee shall decide from time to time.

14.5 After the first 6 (six) months the Operational Committee shall determine the frequency, dates, times and venue of ensuing meetings.

14.6 The Chairperson of the Operational Committee shall be chosen at the first meeting and -

14.6.1 shall be chosen from one of the representatives and who shall hold office for a period of 12 (twelve) months;

14.6.2 shall thereafter be chosen from the representatives, save that he / she shall be from a Party different from that of the previous chairperson; and

14.6.3 shall not have a casting vote.

14.7 The duties of the Operational Committee include, but are not limited to the following -

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any other information which could be of interest to the Operational Committee or of value to either of the Parties.

15. MANAGEMENT COMPANY

15.1 The Department mandates SA Express to appoint a management company responsible for managing the operations at Pilanesburg and Mafikeng airports.

15.2 The Department shall be liable for the payment of operational costs of the operations of the said management company.

15.3 The management company will be responsible for operational and other additional services as required and agreed with the Department and Airline.

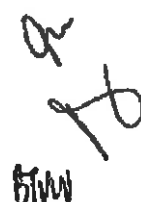
15.4 SA Express shall enter into a Service Level Agreement with the management company, in terms of which the performance of the management company will be monitored and evaluated.

15.5 For the purposes of development and skills transfer, SA Express shall train the employees of the management company, to be able to perform the functions in terms of the Service Level Agreement referred to in 15.4 above.

16 RELATIONSHIP

The relationship between the Parties as established in terms of this Agreement is not a partnership and each of the Parties is liable for its own liabilities emanating from the provision of the Airline Service as herein contemplated.

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17 WAIVERS AND INDEMNITY

17.1 The Parties hereby waive whatever claim they have or may in future have against each other, save for a claim which emanates from their obligation(s) in terms of this Agreement.

17.2 The Department hereby -

17.2.1 indemnifies and holds SA Express free from any and all claims that may be instituted against SA Express, including the legal costs thereof calculated on attorney-and-own-client-scale, by third parties and which claims emanate from the provisions of this Agreement, unless pursuant to the gross negligence or wilful conduct of SA Express or its employees, agents or any person for whose actions SA Express is liable.

17.2.3 Similarly, SA Express hereby, save for a claim in favour of the Department which emanates from the obligation(s) of SA Express in terms of this Agreement, indemnifies and holds the Department free from any and all claims that may be instituted against SA Express, including the legal costs thereof calculated on attorney-and-own-client-scale, by third parties and which claims emanate from the provisions of this Agreement, unless pursuant to the gross negligence or wilful conduct of the Department or its employees, agents or any person for whose actions the Department is liable.

18 CONFIDENTIALITY

18.1 For purposes of this clause 18, "Confidential Information" shall mean any confidential information provided by one Party to the other or otherwise acquired including but not limited to all information which relates to the Request for a Proposal for the Airline Service, SA Express's response thereto, the tender process, the negotiations between the Department and

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SA Express which ensued, the contents of this Agreement or any correspondence or communications between the Parties, including the monthly returns to be submitted by SA Express in terms of the provisions of clause 7 of this Agreement and the agenda and minutes of the Operational Committee, irrespective of whether the Confidential Information emanates pursuant to discussions between the Parties, in writing or in electronic format.

18.2 The Parties shall -

- 18.2.1** use the Confidential Information only for purposes of protecting its interests emanating from this Agreement or for purposes of executing its obligations in terms hereof;
- 18.2.2** treat and safeguard the Confidential Information as private and confidential;
- 18.2.3** ensure proper and secure storage of the Confidential Information; and
- 18.2.4** not at any time, without the prior written consent of the other Party, disclose the Confidential Information to a third party.

19 FORCE MAJEURE

19.1 For purposes of this Agreement, "Force Majeure" means any of the following events or circumstances -

- 19.1.1** war, civil war, armed conflict or terrorism; or
- 19.1.2** nuclear contamination unless SA Express is the source or cause of the contamination; or
- 19.1.3** chemical or biological contamination from any of the events referred to in clause 19.1.1;

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- 19.1.4 extreme bad weather conditions, acts or omissions of ATNS and/or the Department, strikes or lock-outs which make take off, flight or landing of the aircraft to be employed in terms of clause 10.1, dangerous to either the passengers or the aircraft;
- 19.1.5 unavoidable mechanical failure of aircraft including but not limited to ingestion into an engine of birds or foreign objects; or
- 19.1.6 any delay due to factors beyond the control of SA Express;

which directly cause either Party to be unable to comply with all or a material part of its obligations under this Agreement.

- 19.2 Subject to the provisions of clause 19.3, the Party claiming relief shall be relieved from liability under this Agreement to the extent that by reason of the Force Majeure event it is not able to perform all or a material part of its obligations under this Agreement.

- 19.3 Where a Party is (or claims to be) affected by an event of Force Majeure -

- 19.3.1 it shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this Agreement and resume performance of its obligations affected by the event of Force Majeure as soon as practicable and use all reasonable endeavours to remedy its failure to perform; and

- 19.3.2 it shall not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to its failure to comply with its obligations under clause 19.3.1.

- 19.4 The Party claiming relief shall serve written notice on the other Party within 3 (three) days of it becoming aware of the relevant event of Force Majeure.

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Such initial notice shall give sufficient details to identify the particular event claimed to be an event of Force Majeure.

19.5 A subsequent written notice shall be served by the Party claiming the relief on the other Party within a further 7 (seven) days which shall contain such relevant information relating to the failure to perform (or delay in performing) as is available, including (without limitation) the effect of the event of Force Majeure on the ability of the Party to perform, the action taken in accordance with clause 19.3.1, the date of occurrence of the event of Force Majeure and an estimate of the period of time required to overcome it and/or its effect.

19.6 The Party claiming relief shall notify the other as soon as the consequences of the event of Force Majeure have ceased and when performance of its affected obligations can be resumed.

19.7 If, following the issue of a notice as contemplated in clause 19.5, the Party claiming relief receives or becomes aware of any further information relating to the event of Force Majeure (and/or any failure to perform), it shall submit such further information to the other Party as soon as reasonably possible.

19.8 The Parties shall meet within 21 (twenty one) days calculated from the date on which the event of Force Majeure occurred, to agree to amendments to the contents of this Agreement in the light of the occurrence of the event of Force Majeure.

19.9 Should the Parties have failed to meet as contemplated in clause 19.8, or to reach agreement as contemplated in clause 19.8, either Party may at any time thereafter, but not later than 14 (fourteen) days after the date of the meeting contemplated in clause 19.8, terminate this Agreement by written notice to the other Party which termination shall have immediate effect on

receipt thereof by the Party concerned.

20 BENEFIT

This Agreement shall be binding on the Parties, and shall be for the benefit of the Parties and the public at large.

21 ASSIGNMENT

Save as expressly permitted hereunder, a Party shall not, without the prior written approval of the other, assign, cede, delegate, transfer or otherwise dispose of any right or obligation under this Agreement to another person.

22 NOTICES AND DOMICILIA

22.1 The Parties select as their respective *domicilia citandi et executandi* the following physical addresses, and for the purposes of giving or sending any notice provided for or required under this Agreement or payment of any amount, or for any other purposes in terms of this Agreement, the said physical addresses as well as the following telefax numbers -

<u>Name</u>	<u>Physical Address</u>	<u>Telefax</u>
North West Province	Safety House 31-34 Molopo Road Mafikeng 2745 Pnamate@nwpg.gov.za	018-381 9171

Marked for the attention of: The Head of Department, Department of Transport

<u>Name</u>	<u>Physical Address</u>	<u>Telefax</u>
SA Express	2 nd Floor E Block Offices 1 Jones Road Airways Park	011-78-6678

Marked for the attention of: The General Manager, Commercial

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provided that a Party may change its *domicilium* or its address for the purposes of notices to any other physical address or telefax number by written notice to the other Party to that effect. Such change of address shall be effective 5 (five) business days after receipt of the notice of the change.

22.2 All notices to be given in terms of this Agreement shall be given in writing, in English, and shall -

22.2.1 be delivered by hand or sent by telefax;

22.2.2 if delivered by hand during business hours, be presumed to have been received on the date of delivery. Any notice delivered after business hours or on a day which is not a business day shall be presumed to have been received on the following business day; and

22.2.3 if sent by telefax during business hours, be presumed to have been received on the date of successful transmission of the telefax. Any telefax sent after business hours or on a day which is not a business day shall be presumed to have been received on the following business day.

22.3 Notwithstanding the above, any notice given in writing in English, and actually received by the Party to whom the notice is addressed, shall be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this clause 22.

22.4 The Parties record that whilst they may correspond via email during the currency of this Agreement for operational reasons, no formal notice required in terms of this Agreement, nor any amendment or variation to this Agreement may be given or concluded via email.

23 DISPUTE RESOLUTION

23.1 Any dispute which may arise between the Parties shall firstly be referred to the Operational Committee established in terms of the provisions of clause 14 of this Agreement for settlement and for purposes of the meeting of the Operational Committee to address such dispute, such meeting may be called by any of the Parties by giving not less than 7 (seven) days written notice to the other Party and to each of the members of the Operational Committee. For purposes of such meeting the provisions of clause 14 shall *mutatis mutandis* apply.

23.2 Should the Operational Committee be unable to resolve the dispute, same shall be referred to the Head of the Department, Department of Community Safety and Transport Management, and the Chief Executive Officer of SA Express, who shall use their best endeavours to settle such dispute.

23.3 Should the dispute not be capable of settlement as contemplated in clause 23.2, then such dispute shall be referred to arbitration as provided for in clause 24.

24 ARBITRATION

24.1 Any and all disputes which may arise between the Parties shall be referred to, and settled by Arbitration as intended in this clause 24.

24.2 Subject to the provisions of clause 23, should any dispute arise between the Parties in regard to or arising out of -

24.2.1 the interpretation of this Agreement;

24.2.2 the carrying into effect of this Agreement;

24.2.3 the Parties' respective rights and obligations in terms of this Agreement;

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

24.2.4 the rectification of this Agreement;

24.2.5 the termination of this Agreement;

24.2.6 any question as to whether a valid and binding agreement was concluded between the Parties or whether such agreement is of legal force or effect; or

24.2.7 any other matter whatsoever emanating from this Agreement;

that dispute shall be submitted to and finally settled by arbitration. In the event of either Party disputing that a valid or binding agreement has been concluded, or disputing that the Agreement is of full force and effect, the Parties nevertheless agree to submit such dispute to arbitration as provided herein and in that regard this clause 24 shall be deemed to be severable from the remainder of this Agreement.

24.3 Any Party to this Agreement may demand that a dispute be settled in terms of this clause 24 by giving written notice to the other Party.

24.4 This clause 24 does not prevent a Party from obtaining relief on an urgent basis from a court, pending the decision of the arbitrator.

24.5 The arbitration shall be held at Mahikeng, with only the Parties and their representatives present thereat.

24.6 The arbitration shall be held *mutatis mutandis* in accordance with the Rules promulgated in terms of the Supreme Court Act, No 59 of 1959 and the rules of practice of the North West High Court of South Africa; otherwise in terms of the Arbitration Act No. 42 of 1965, it being the intention that the arbitration shall be held and concluded as soon as possible.

24.7 The arbitrator shall, if the matter in dispute is principally -

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

24.7.1 a legal matter, be a practising counsel or a practising attorney of not less than 10 (ten) years standing;

24.7.2 an accounting matter, be a practising chartered accountant of not less than 10 (ten) years standing;

24.7.3 any other matter, be an independent person qualified to hear and adjudicate upon such matter;

and shall be agreed to between the Parties.

24.8 Should the Parties fail to agree whether the dispute is principally a legal, accounting or other matter within 7 (seven) days after arbitration has been demanded, the matter shall be considered to be a legal dispute.

24.9 Should the Parties fail to agree upon an arbitrator within 14 (fourteen) days after the arbitration has been demanded, then the arbitrator shall be appointed at the request of either of the Parties by the President for the time being of the Law Society of the Northern Provinces or its successor in title or the President of the North West Bar Council.

24.10 The Parties irrevocably agree and undertake with each other that any award that may be made by the arbitrator -

24.10.1 shall be final and binding upon them;

24.10.2 shall be carried into effect; and

24.10.3 may be made an order of Court of jurisdiction .

24.11 This clause 24 is severable from the rest of this Agreement and shall remain in effect even if this Agreement is terminated or cancelled for any reason.

24.12 The receipt by any party to this Agreement of a notice in terms of the

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT



provisions of clause 24.3 shall constitute the service of a process for the purposes of interruption of prescription in terms of the provisions of Section 8 of the Prescription Act, Act 68 of 1969 or the corresponding provision in any amendment thereto or replacement legislation.

25 BREACH

Notwithstanding anything to the contrary contained in this Agreement, neither Party shall be entitled to cancel this Agreement in consequence of any breach by the other Party ("Guilty Party") unless such breach is -

- 25.1 a material breach; and
- 25.2 incapable of being remedied by payment of money or being rectified; or
- 25.3 capable of being remedied by the payment of money or being rectified, and -
 - 25.3.1 the Guilty Party fails to pay such money within 30 (thirty) days from written demand by the innocent Party; or
 - 25.3.2 the alleged breach or the amount claimed is contested, and the Guilty Party fails to pay such amount or to remedy such breach within 21 (twenty one) days calculated from the date on which same is finally adjudicated upon.

26 GENERAL

- 26.1 Subject to clause 26.2, this Agreement constitutes the whole of the agreement between the Parties relating to the matters dealt with herein and, save to the extent otherwise provided herein, no undertaking, representation, term or condition relating to the subject matter of this Agreement not incorporated in this Agreement shall be binding on either of the Parties.

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

- 26.2 Clause 26.1 shall not apply to any statement, representation or warranty made fraudulently, or to any provision of this Agreement which was induced by fraud, for which the remedies are available shall be all those available under the law governing this Agreement.
- 26.3 No addition to or variation, deletion, or agreed cancellation of all or any clauses or provisions of this Agreement shall be of any force or effect unless in writing and signed by the Parties.
- 26.4 No waiver of any of the terms and conditions of this Agreement shall be binding or effectual for any purpose unless in writing and signed by the Party giving the same. Any such waiver shall be effective only in the specific instance and for the purpose given. Failure or delay on the part of either Party in exercising any right, power or privilege hereunder shall not constitute or be deemed to be a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 26.5 All provisions and the various clauses of this Agreement are, notwithstanding the manner in which they have been grouped together or linked grammatically, severable from each other. Any provision or clause of this Agreement which is or becomes unenforceable in any jurisdiction, whether due to voidness, invalidity, illegality, unlawfulness or for any other reason whatever, shall, in such jurisdiction only and only to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions and clauses of this Agreement shall remain of full force and effect. The Parties declare that it is their intention that this Agreement would be executed without such unenforceable provision if they were aware of such unenforceability at the time of execution hereof.
- 26.6 Any consent or approval required to be given by either Party in terms of this

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY
SAFETY AND TRANSPORT MANAGEMENT

Agreement shall, unless specifically otherwise stated, not be unreasonably withheld.

- 26.7 This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts.

27 APPLICABLE LAW AND JURISDICTION

- 27.1 This Agreement shall in all respects be governed by and construed under the laws of the Republic of South Africa.

- 27.2 Subject to the provisions of clauses 23 and 24, the Parties hereby consent and submit to the non-exclusive jurisdiction of the North West High Court of the Republic of South Africa in any dispute arising from or in connection with this Agreement. The Parties agree that any costs awarded shall be recoverable on an attorney-and-own-client scale unless the Court specifically determines that such scale shall not apply, in which event the costs will be recoverable in accordance with the High Court tariff, determined on an attorney-and-client scale.

28 SUPPORT

- 28.1 The Parties undertake at all times to do all such things, perform all such actions and take all such steps (including in particular the exercise of the respective voting rights on the Operational Committee) and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for or incidental to the putting into effect or maintenance of the terms, conditions and/or import of this Agreement.
- 28.2 The Parties undertake at all times to exercise utmost good faith in their

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY
SAFETY AND TRANSPORT MANAGEMENT



dealings with each other.

29 COSTS

Each party shall bear and pay its own legal costs and expenses of and incidental to the negotiation, drafting, preparation and implementation of this agreement.

30 SIGNATURE


Signed on behalf of the Parties, each signatory hereto warranting that he/she has due authority to do so.

Signed for and on behalf of the DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT (NORTH WEST PROVINCE)		
Signature: 		
Signed at		Date
Full name	MR. THABANG BAILEY MAHLAKOLENG	
Designation	HEAD OF DEPARTMENT	
	(Who warrants that he is duly authorized as Acting Head of Department or delegated by virtue of his position)	
As witnesses Signature on 1& 2 and full Names below	1.	2.
Signed at:		Date

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT



PAID


16
BIM

Signed for and on behalf of SA EXPRESS LTD			
Signature: <i>Quata Ntshanga</i>			
Full Name	INATI NTSHANGA		
Designation	CEO		
Signed at:	AIRWAYS PERK	Date:	
(Who warrants that he is duly authorized as the..... or delegated by virtue of his position)			
As Witnesses Signature on 1 & 2 and full Names below	1. <i>B. J. van Wyk</i>	2.	
	<i>[Signature]</i>		
Signed at:	AIRWAYS PERK	Date:	

SERVICE LEVEL AGREEMENT - SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY
SAFETY AND TRANSPORT MANAGEMENT

PAID

[Signature]

BTW

[Signature]

ANNEXE "A"

*SUBSIDY STRUCTURE

North West Concession					
Pietersburg	Y1 50%	Y2 40%	Y3 30%	Y4 20%	Y5 10%
Concession - Airline Subsidy	23 829 456	19 063 565	14 297 674	14 297 674	14 297 674
Concession - JNB-MTY Airline Subsidy	11 914 728	9 531 782	7 148 837	7 148 837	7 148 837
Concession - CPT-MTY Airline Subsidy	11 914 728	9 531 782	7 148 837	7 148 837	7 148 837
Mafikeng	Y1 100%	Y2 95%	Y3 85%	Y4 75%	Y5 65%
Concession - JNB-MBD Airline Subsidy	34 457 674	32 734 790	29 289 023	25 843 255	22 597 488
Total Subsidy	68 207 130	51 795 355	43 586 596	40 140 929	36 895 162
Management Company Subsidy	Y1	Y2	Y3	Y4	Y5
Route Marketing Subsidy - Pietersburg	14 858 435	4 850 000	4 550 000	4 550 000	4 550 000
Route Marketing Subsidy - Mafikeng	14 858 435	4 850 000	4 550 000	4 550 000	4 550 000
Operations Costs - Pietersburg	11 000 000	11 000 000	11 000 000	11 000 000	11 000 000
Operations Costs - Mafikeng	11 000 000	11 000 000	11 000 000	11 000 000	11 000 000
Total Subsidy	51 712 870	31 700 000	31 100 000	31 100 000	31 100 000
TOTAL SUBSIDY	110 000 000	83 495 355	74 686 696	71 240 929	67 995 162

SERVICE LEVEL AGREEMENT - SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY
SAFETY AND TRANSPORT MANAGEMENT

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B/M

ANNEXE "C"

FLIGHT SCHEDULE include for the airports

Johannesburg - Pilanesberg Schedule								
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1261	JNB	NTY	50	09:30	10:20	00:50	1-3-5-
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1264	NTY	JNB	50	10:55	11:45	00:50	-3---
CR2	SA1268	NTY	JNB	50	16:20	17:20	01:00	1--5--
Cape Town - Pilanesberg Schedule								
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1255	CPT	NTY	50	13:50	16:00	02:10	1--5--
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1254	NTY	CPT	50	11:00	13:20	02:20	1--5--
Johannesburg - Mahikeng Schedule								
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1121	JNB	MBD	50	05:50	06:40	00:50	1-3-5--
CR2	SA1127	JNB	MBD	50	17:55	18:45	00:50	1-3-5--
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1122	MBD	JNB	50	07:05	07:55	00:50	1-3-5--
CR2	SA1128	MBD	JNB	50	19:30	20:20	00:50	1-3-5--

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY
SAFETY AND TRANSPORT MANAGEMENT

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BT/v

Annexure “KP 5”





Handwritten text in red ink, arranged in three vertical columns:

- Column 1 (left): A, Z, Z, E, Z, U, R, E
- Column 2 (middle): P, A, U, K, T, Z, E, M, E, R, A
- Column 3 (right): O, R, E, Z, E, V, A, T, I, O, N



dcsc&tm

Department
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PAYMENT FLOW AND QUERY SHEET

RECEIVING

Ref No: 056013925
(Order/ID/Co no.)

NAME

OTCI

SIGN

[Signature]

DATE

21/12/2015



COMPLIANCE & PRE-AUDIT

NAME

MDK

SIGN

[Signature]

DATE

21/12/2015

COMMENTS/QUERIES

COMPLIANCE

SIGNATURE

[Signature]

REMITTANCE

NAME

James

SIGN

Amatopu

DATE

21/12/15

COMMENTS/QUERIES

FILING

File Ref No:

NAME

SIGN

DATE



[Signature]

Koreneka
 Raymont Park
 existing - apartment
 (exes)
 - Invoices
 - Park Raymont
 - 10/2
 - C.A.



RP



NORTH WEST
PROVINCE

N.W. M4

ORDER

B: Payment Copy

Page 1

Supplier Code

Order Number

Requisition Number

Official Stamp must be added

to make this a valid document

Subject to the conditions on the back hereof, please supply the under mentioned goods / services for which purpose a rail warrant is attached.

Deliver to		Rail Warrant Number	
Invoice to		P.O.R.	
Postal Address		Order Date	
Rail Destination		Delivery Date	
Telephone Number			

Item No.	Description / Allocation	Quantity	Units	Unit Price (Inc. VAT)	Total Line Amount
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> DEPARTMENT OF COMMUNITY SAFETY & TRANSPORT MANAGEMENT RECEIVED 2015-12-18 FINANCIAL DIRECTORATE </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> COMPLIANCE SIGNATURE: <i>[Signature]</i> </div> </div> <div style="text-align: center; font-size: 2em; font-weight: bold; margin-top: 20px;">PAID</div>					

Cheque Number	Cheque Date	Signature	Total of Order
000616423	25-12-2015	<i>[Signature]</i>	
I certify that the above mentioned order has in every respect been properly executed, that the goods are correct according to specifications and that they have been received in good condition.		I certify that the above order is in agreement with the invoices, that the charges are according to contract agreement or tariff fair and reasonable and that payment can be made	
Signature: <i>[Signature]</i>	Designation: Chief User Clerk	Signature: <i>[Signature]</i>	Designation: AD
Date: 23-12-2015	Date: 2015-12-22	Date:	Date:

[Handwritten initials]

DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

61. A

PROCUREMENT REQUISITION/CONTROL FORM

DIRECTORATE: 30017		REQUISITION NO: 31244-050	
Korenka Events Managers PO BOX 2752 Mafikeng 2745		TENDERS AND/OR QUOTATIONS SUPPLIER 1: Korenka Events Managers SUPPLIER 2: SUPPLIER 3:	
DESCRIPTION OF GOODS/SERVICE(S) Part 1		QUANTITY	
Route Marketing Subsidy - Mafikeng Airport		20 606 435.00	
Airport Operational costs - Mafikeng Airport			
		20 606 435.00	
REQUESTED BY: Maserame Dayel		TEL: 018 385 1135	
ACCOUNTING CONTROL KEY		BUDGET	
SEGMENT TYPE	CODE	BUDGET	
ITEM (I)	01734	84 000 000.00	
OBJECTIVE (O)	30017	EXP. TO DATE	39 393 656.00
RESPONSIBILITY #	31244	COMMITMENT	0.00
FUNDS (F)	00341	BALANCE	44 606 344.00
PROJECT (P)	00004	EXPENDITURE APPLIED	20 606 435.00
ASSETS (A)	00235	AVAILABLE BUDGET	23 999 909.00
REGIONAL IDENTIFIER (M)	00019		
INFRASTRUCTURE	00085		
LOGISTIC CONTROL OFFICE		LOGISTIC OFFICIAL	
		FULL NAMES: Bortumelo Leungat	
		SIGNATURE: [Signature]	
		DATE: 2015/12/18 TEL NO: 888652	
PREPARED BY (FULL NAMES): BAKANG MATILO		PART 4	
SIGNATURE: [Signature]		05503925P	
TEL NO: 018 385 1036		ORDER NUMBER	
DATE: 14/12/2015		LOGISTIC APPROVAL	
APPROVED BY: [Signature]		FULL NAMES: Eluel Beyane	
SIGNATURE: [Signature]		SIGNATURE: [Signature]	
TEL NO: 018 388		DATE: 14/12/2015	
AUTHORISATION BY BUDGET CONTROL OFFICE		BUDGET CONTROL OFFICE	
BUDGET AVAILABLE: R 44 606 435.00		2015-12-15	
FULL NAMES: GABINO MOTHIMM		APPROVED: [Signature]	
DATE: 15/12/15		PROVINCE OF THE NORTH WEST	
TEL NO: 018 388 4449		REPUBLIC OF SOUTH AFRICA	
REPUBLIC VAN SUID AFRICA		PART 5	
PART 2		DISTRIBUTION OF GOODS	
APPROVED BY: MOD/CEO/SCM/DFM		DISTRIBUTED BY (SIGNATURE):	
FULL NAMES: [Signature]		FULL NAMES:	
SIGNATURE: [Signature]		DATE:	
DATE APPROVED: 15/12/15		RECEIVED BY (SIGNATURE):	
E. NUMBER:		FULL NAMES:	
		DATE:	

NB Requisition for purchase/service will not be processed unless the above details have been properly filled

IR

DEPARTMENT OF COMMUNITY SAFETY & TRANSPORT MANAGEMENT

PROCUREMENT CHECKLIST

SUPPLIER NAME: KORENEKA TRADING & PROJECTS

FILE NO

ORDER NUMBER: ESTD 13925 P

P

NB: The user is required to tick the appropriate box and sign the checklist

STAGE ONE (Demand Unit)			
Verification of goods/services required as per procurement plan	YES	NO	N/A
Verification of goods/services required as per Demand Management plan	YES	NO	N/A
Description: <u>Management company subsidy - Mafikeng Airport Marketing Subsidy</u>	YES	NO	N/A
Signature: <u>[Signature]</u>	Date: <u>27/11/2015</u>		
STAGE TWO (Acquisition Unit)			
Verify validity of contracts	YES	NO	N/A
Price claim is per SLA or contract	YES	NO	N/A
Availability of Transversal Contract	YES	NO	N/A
If YES check if the quotation is as per the contract terms, conditions and pricing	YES	NO	N/A
Signature: <u>[Signature]</u>	Date: <u>27/11/2015</u>		
STAGE THREE (Logistics Unit)			
1. Obtain minimum number of three quotations	YES	NO	N/A
2. Pro quote quotations	YES	NO	N/A
3. Manual quotations	YES	NO	N/A
4. Deviation approved by HOD attached	YES	NO	N/A
5. Original or certified valid Tax clearance Certificate for above R30 000	YES	NO	N/A
6. SBD 4 form completed and attached	YES	NO	N/A
7. SBD 8 form completed and attached	YES	NO	N/A
8. SBD 9 form completed and attached	YES	NO	N/A
9. SBD 6.2 form completed for furniture or Textile and attached	YES	NO	N/A
10. Certified BBBEE certificate	YES	NO	N/A
11. Company registration certificate for payment above R30 000.00	YES	NO	N/A
12. Certified ID copies of Board of Directors, Company owner or Shareholders	YES	NO	N/A
13. 80/20 Evaluation process done for payment above R30 000.00	YES	NO	N/A
Signature: <u>[Signature]</u>	Date: <u>27/11/2015</u>		
STAGE FOUR (Budget Control Unit)			
1. Correctness of allocation code verified	YES	NO	N/A
2. Availability of budget & cash-flow verified	YES	NO	N/A
Signature: <u>[Signature]</u>	Date: <u>20/12/15</u>		
STAGE FIVE (Asset Verification)			
1. Verification of Code allocation	YES	NO	N/A
2. Verification of existing Asset to the Asset Register	YES	NO	N/A

Invoice

Koreneka Event Managers

(T/A Koreneka Trading and Projects)

22 NWDC Building, 1st Street Industrial Site
Mafikeng, Northwest Province, 2745

Company Registration : 2007/051834/23

Headoffice: Tel: 018 381 5113 and Accounts: 011 042 8945

Email: info@koreneka.co.za

Client Name :	Northwest Department Of Community Safety and Transport	Account No.	NWCST01	Invoice No.1	24
Client Contact No :	0183815113	Cost Vat No :	N/A	Invoice Date :	2015/12/07
Client Address :	Safety House 31324, Molapeo Road,Mafikeng ,2735	Terms :	DOR	Due Date :	2015/12/07
Qty	Description			Rate	Amount
1	Route Marketing Subsidy - Mafikeng			9 606 435,00	9 606 435,00
1	Airport Operational Costs - Mafikeng			11 000 000,00	11 000 000,00
				Subtotal	R20 606 435,00
				VAT Total	R0,00
				Total	R20 606 435,00
				Credits	R0,00
				Balance Due	R20 606 435,00
Banking Details					
Bank : First National Bank (FNB)					
Branch Name : Bathopele					
Branch Code : 260-849					
Account Number: 62517944296					
Account Type : Cheque					
Please Quote the Invoice Number when making Payment via Cheque/Cash/EFT					
Thank You for Choosing Koreneka Event Managers					

Annexure “KP 6”





SG MOGODIRI

Attorneys Inc
P.O. Box 1000

OUR REFERENCE

SG Mogodiri

YOUR REFERENCE

Mrs M Dayel

DATE

08 May 2017

The HOD (Ms Botlhale Mofokeng)

The Department of Community Safety and Transport Management

North West Provincial Government

c/o Mrs Maserame Dayel

Safety House

Molopo Road

Mahikeng

2735

Email: MDayel@nwpg.gov.za

'Confidential'

Dear Madam

RE. KORENEKA TRADING (B TLATSANA & JC PHIRI) / S.A EXPRESS AIRWAYS

1. We refer to the above matter and confirm that we act herein on behalf of Mrs J.C. Phiri ('our client').
2. By way of background, our client and Ms Tlatsana were until December 2015 equal members or owners of Koreneka Trading CC ("Koreneka"). In other words, they both held a 50/50 membership interest therein.
3. Unbeknown to our client and effective 31 December 2015, Ms Tlatsana caused the unlawful and/or fraudulent removal of our client's particulars from the records of the CIPC as member of Koreneka. The consequence of such conduct

191 Br. Lvy Rd. Midrand, Gauteng, 1582, T.E. Box 2754, - secy@sgm.co.za

Selle Mogodiri - Director B. Pract. LL.B. FSC Corporate Law

Ph: +27(0)11 520 1720 / 11-271030161-0093 C: 082 122 2045 Email@smogodiri.co.za www.smgodiri.co.za

Idf

effectively allowed Ms Tlatsana carte blanche over the daily running of and access to the funds of Koreneka including abuse of company resources for personal gain.

4. As a consequence thereof, an Urgent Application was launched on behalf of our client, in the Mmabatho High Court, which though opposed, culminated in the said Court granting the following final relief against Koreneka and Ms Tlatsana:

4.1 Directing that the founding statement of Koreneka be amended to reflect the status quo of its membership and membership interests, as it was immediately prior to the amendment on 11 January 2016;

4.2 Directing Koreneka and Tlatsana within 28 days of the order to lodge with the CIPC the necessary forms and court order to record and reinstate the membership and membership interest of Phiri, with effect from 27 July 2015;

4.3 Ordering the reinstatement of Phiri, as an authorised signatory to the current banking account held by Koreneka and to be allocated an internet banking profile in respect of the said account, within 72 hours of receipt of a Certificate by the CIPC, to the effect that the founding statement has been registered,

4.4 Directing that Phiri be allowed to inspect the accounting records of Koreneka and furnishing her with:-

a) certified copies of the banking statements of Koreneka from 11 January 2016 to date of furnishing;

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- b) full particulars of the persons and entities to whom payments and transfers were made, during the period stipulated above, from the banking account of Koreneka, with documentary proof;
- c) full particulars of all withdrawals made from the said banking account for the stated period as well as the dates, nature, the amounts and reasons for such withdrawals duly substantiated by documentary proof that the withdrawals were used for the benefit of Koreneka.

4.5 Allowing Phiri, with immediate effect upon receipt of the certificate by the CIPC, to exercise her rights as a member of Koreneka, and to participate in the carrying on of the business of the First Respondent.

4.6 Ordering Tlatsana to pay the costs of the Urgent High Court application.

5. The court order is available for your reference.

6. In addition to the above, a criminal investigation under Mafikeng Cas No. 323/08/2016, reveals that during the period July 2015 to January 2016, Mrs Tlatsana:-

6.1 Fraudulently caused the resignation and termination of Phiri's membership and membership interest;

6.2 Unlawfully and intentionally appropriated the sum of Eighteen million, two hundred thousand rands (R18 200 000.00), the property or lawful possession of Koreneka and or Joyce Catherine Phiri.

151 Bulwer Rd, Midrand, Gauteng. / F&B, P.O Box 2745, Honeydew, 2040
 Solis Mogodini - Director: B.Proc. LL.B. PSC Corporate Law
 T: +27(0)11 820 1710 F: +27(0)11 820 1710 E: info@pugimc.co.za W: www.pugimc.co.za

IV

6.3 Caused such amounts to be transferred to various persons and entities and then engaged in arrangements or transactions in connection with that property, which had the effect or was likely to have the effect of concealing or disguising the location or movement of the said property, or the ownership thereof or any interest that anyone may have in respect thereof.

7. As a consequence thereof and on 15 December 2016, a warrant of arrest was authorised for Mrs Tlatsana by the Magistrate Mmabatho. She is currently on bail with stringent conditions.
8. A provisional charge sheet compiled by the Senior State Advocate of the Specialised Commercial Crimes Unit, North West reflects that Ms Tlatsana stands arraigned on the charges of Fraud, Theft, and contraventions of Section 4 and 6 of the Prevention of Organised Crime Act 121 of 1998. The criminal proceedings are pending investigation and postponed to 17 July 2017.
9. It is against the above background that we communicate with you in regard to the following:
 - 9.1 It has come to our attention that Ms Tlatsana's attorneys, *Julian Knight and Associates*, have been engaging with SA Express regarding the 'recent termination' of the ground handling contract with Koreneka.

IN

9.2 We believe that SAX were served with an Urgent High Court Application pursuant to the termination referred to above and wherein such termination was challenged.

9.3 We are instructed to place on record that the aforesaid Application was instituted unilaterally, and without the knowledge and or consent of our client, notwithstanding the Court Order referred to in para 4 supra.

9.4 In the circumstances, we are of the opinion that SAX was misled into believing that Ms Tiatsana was duly authorised by Koreneka to institute the application mentioned in para 9.2. We were not consulted nor notified of the application and any Resolution, if attached thereto, was clearly not obtained in the proper manner and once again imputes improper conduct.

10. Our client is of the view that you are entitled to this disclosure as there appears to be a lack of transparency in the way the Koreneka has been dealing with your entity. Our client further maintains the view that such disclosure is material and may well affect the continued business relationship between the SAX and/or yourselves and Koreneka. Our client wishes to register her unequivocal position that she was never consulted and was never opposed to the termination of the contract with Koreneka, especially under the prevailing circumstances as continuation therewith carries the potential of injury to her good name.

11. The continued relationship between the members is clearly untenable. The unilateral actions of Ms Tiatsana, contrary to the court order, referred to in para 4, only serves to exacerbate the tension already prevalent between the

141 Bekker Rd, Midrand, Gauteng, 1682, P.O. Box 2794, Honeydew, 2040

Sells Mosodiri Director & Proc. IIR PGC Partnership

P: (+27)087 820 1710 F: (+27)087 581 8850 C: 087 323 2545 E: info@egminter.co.za W: www.egminter.co.za

TB

parties and shows a flagrant disregard for same. This has prompted our client to proceed with contempt of court proceedings.

12. It is unfortunate that we were not taken into confidence when SA Express was engaged, in order to place this information before them. We requested SAX to bear in mind that our client is entitled to approach them, on the basis of her membership interest.

13. We are further instructed that there is an unpaid invoice of R15, 850, 000.00 in respect of services rendered by Koreneka. We would appreciate if you can please advise on the status of this payment and further provide confirmation on the fact that the banking details of Koreneka remain unchanged and as follows: KORENEKA TRADING AND PROJECTS CC; FNB BATHO PELE BRANCH, ACCOUNT NUMBER 62517944296.

14. Our client has instructed us to kindly request that you withhold settlement of the invoice referred to in paragraph 13 supra until such stage that the we notify you of settlement, if any, of the dispute prevailing between the parties.

15. We fully appreciate the neutrality of your office regarding the dispute between the members of Koreneka, but express our concerns about the legal repercussions that may emanate, should you have been induced, in manner, by any misrepresentations, made by Ms Tiatsana, purportedly acting on behalf of Koreneka. If your department has at any stage engaged in any communication or correspondence with Ms Tiatsana or her representatives in

relation to Koreneka and the Ground Handling contract, please enlighten us so that we can have a full appreciation of the (mis)representations made.

16. We accordingly await to hear from you at your earliest.

Kind regards


S.S. Mogodiri (Director)

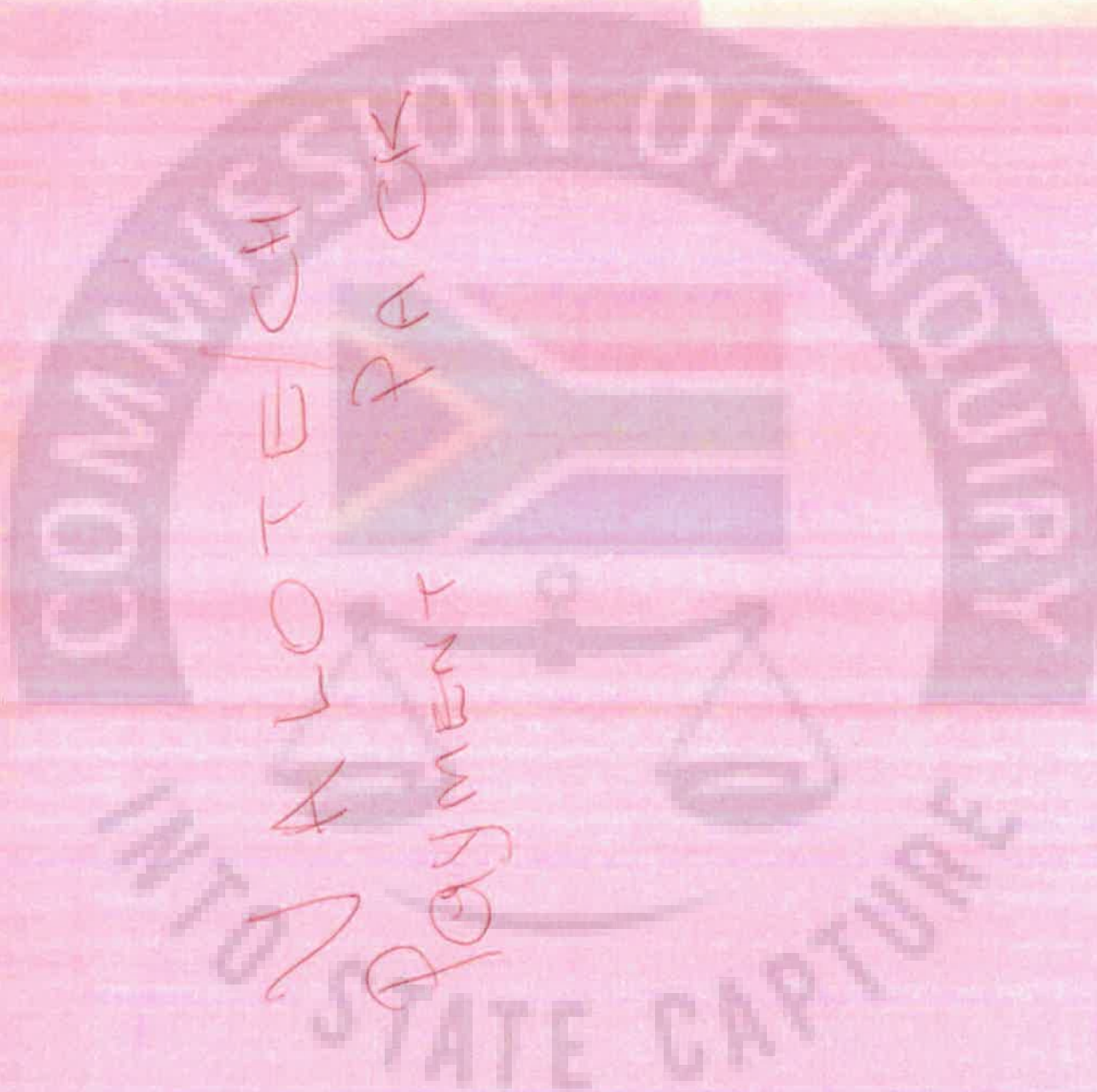
151 Rekkar Rd. Midrand, Gauteng, 1682, P.O. Box 2744, Honeydew, 2040
Selle Mogodiri - Director & Prof. LLB, PGD Corporate Law
P: +27(0)87 620 1750 F: +27(0)86 581 8850 C: 082 322 2045 E: info@sgmin.co.za W: www.sgmin.co.za



Annexure “KP 7”



- Naloxone Payment
- Back including
- Appointment letter
- Invoice
- 1st
- Proof of payment
- SLA



LOVE
PAYMENT

Handwritten signature or initials



NORTH WEST PROVINCE

N.W. M4

B: Payment Copy

Supplier Code

ORDER

Page

Order Number

Requestion Number

✶

8 OF 10 PAGES

Official Stamp must be added.
AT 219 MMARATHO. 2745

2010-07-04

PROVINCE OF THE NORTH WEST
REPUBLIC OF SOUTH AFRICA
REPUBLIC OF SOUTH AFRICA

Subject to the conditions on the back hereof, please supply the under mentioned goods / services for which purpose a rail warrant is attached.

Deliver to	Rail Warrant Number
Invoice to	F.O.R.
Postal Address	Order Date
Rail Destination	Delivery Date
Telephone Number	

Item No	Description / Allocation	Quantity	Units	Unit Price (Inc. VAT)	Total Line Amount

DEPARTMENT OF COMMUNITY SAFETY
& TRANSPORT MANAGEMENT
RECIEVED
2016 -07- 07
FINANCE DIRECTORATE

COMPLIANCE
SIGNATURE

PAID

DB 619988

Cheque Number

15-09-2016

Cheque Date

Signature _____

Total of

7

I certify that on 04/05/2019 the above mentioned order has in every respect been properly executed, that the goods are correct according to specifications and that they have been received in good condition.

I certify that the above order is in agreement with the invoices, that the charges are according to contract (or agreement) or tariff fair and reasonable and that payment can be made

KM1 CVK
Signature

SAC
Designation

07.07.16

[Signature]
Signature

Designation

08 07 21
Date

PROCUREMENT REQUISITION/CONTROL FORM

NB Requestion for purchase/service will not be processed unless the above details have been properly filled.

DEPARTMENT OF COMMUNITY SAFETY & TRANSPORT MANAGEMENT

PROCUREMENT CHECKLIST

SUPPLIER NAME: Valotech Facilities

FILE NO.

ORDER NUMBER: QTE 015094

P



NB: The user is required to tick the appropriate box and sign the checklist

STAGE ONE (Demand Unit)			
Verification of goods/services required as per procurement plan	YES	NO <input checked="" type="checkbox"/>	N/A
Verification of goods/services required as per Demand Management plan	YES <input checked="" type="checkbox"/>	NO	N/A
Description <u>Route Marketing Subcity Marketing ASPEN operation</u>	YES <input checked="" type="checkbox"/>	NO	N/A
Signature: <u>[Signature]</u>		Date: <u>28-06-2016</u>	
STAGE TWO (Acquisition Unit)			
Verify validity of contracts	YES <input checked="" type="checkbox"/>	NO	N/A
Price claim is per SLA or contract	YES	NO	N/A
Availability of Transversal Contract	YES	NO	N/A
If YES check if the quotation is as per the contract terms, conditions and pricing	YES	NO	N/A
Signature: <u>[Signature]</u>		Date: <u>28/06/2016</u>	
STAGE THREE (Logistics Unit)			
1. Obtain minimum number of three quotations	YES	NO	N/A <input checked="" type="checkbox"/>
2. Pro quote quotations	YES	NO	N/A <input checked="" type="checkbox"/>
3. Manual quotations	YES	NO	N/A <input checked="" type="checkbox"/>
4. Deviation approved by HOD attached	YES	NO	N/A <input checked="" type="checkbox"/>
5. Original or certified valid Tax clearance Certificate for above R30 000	YES	NO	N/A <input checked="" type="checkbox"/>
6. SBD 4 form completed and attached	YES	NO	N/A <input checked="" type="checkbox"/>
7. SBD 8 form completed and attached	YES	NO	N/A <input checked="" type="checkbox"/>
8. SBD 9 form completed and attached	YES	NO	N/A <input checked="" type="checkbox"/>
9. SBD 6.2 form completed for furniture or Textile and attached	YES	NO	N/A <input checked="" type="checkbox"/>
10. Certified BBBEE certificate	YES	NO	N/A <input checked="" type="checkbox"/>
11. Company registration certificate for payment above R30 000.00	YES	NO	N/A <input checked="" type="checkbox"/>
12. Certified ID copies of Board of Directors, Company owner or Shareholders	YES	NO	N/A <input checked="" type="checkbox"/>
13. 80/20 Evaluation process done for payment above R30 000.00	YES	NO	N/A <input checked="" type="checkbox"/>
Signature: <u>[Signature]</u>		Date: <u>28/06/2016</u>	
STAGE FOUR (Budget Control Unit)			
1. Correctness of allocation code verified	YES	NO	N/A
2. Availability of budget & cash-flow verified	YES	NO	N/A
Signature: <u>[Signature]</u>		Date: <u>28/06/16</u>	
STAGE FIVE (Asset Verification)			
1. Verification of Code allocation	YES	NO	N/A
2. Verification of existing Asset to the Asset Register	YES	NO	N/A
Signature: <u>[Signature]</u>		Date: <u>20160628</u>	

PAID



dcs&tm

Department
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PAYMENT FLOW AND QUERY SHEET

RECEIVING

Ref No:	<u>DSF05094</u> (Order/ID/Co no.)	<div style="border: 1px solid black; padding: 5px; text-align: center;"> DEPARTMENT OF COMMUNITY SAFETY & TRANSPORT MANAGEMENT RECEIVED 2016-07-07 FINANCE DIRECTORATE </div>
NAME	<u>THABISO</u>	
SIGN	<u>[Signature]</u>	
DATE	<u>2016/07/07</u>	

COMPLIANCE & PRE-AUDIT

NAME	<u>Cynthia</u>	<div style="border: 1px solid black; padding: 5px;"> COMMENTS/QUERIES <u>Has not fully signed</u> <u>corrected 8-6-2016</u> </div>
SIGN	<u>[Signature]</u>	
DATE	<u>8-07-2016</u>	<div style="border: 1px solid black; padding: 5px; text-align: center;"> COMPLIANCE </div>

REMITTANCE

NAME	<u>Moroka</u>	<div style="border: 1px solid black; padding: 5px;"> COMMENTS/QUERIES <u>[Blank]</u> </div>
SIGN	<u>[Signature]</u>	
DATE	<u>08-07-16</u>	<div style="border: 1px solid black; width: 100px; height: 40px; margin: 0 auto;"></div>

FILING

File Ref No:	<u>[Blank]</u>	<div style="border: 1px solid black; padding: 20px; text-align: center; font-size: 2em;"> PAID </div>
NAME	<u>[Blank]</u>	
SIGN	<u>[Blank]</u>	
DATE	<u>[Blank]</u>	

Invoice



·34 Impala Street
·Golf View
·Mahikeng
·North West 2745

·PO Box 4587
·Mmabaiho
·North West 2735

·Tel. +27 11 042 8945
·Cell. +27 83 411 7661
·Fax +27 86 614 0426

·Email info@valotech.co.za
·Web: www.valotech.co.za

Client Details					
Client Name	Northwest Department of Community Safety & Transport		Start Date	13-06-2016	Invoice No.
Client Phone	0183815113		End Date	13-06-2016	Account No.
Client Address	Safety House 31324 Molopoe road, Mahikeng, 2735		Cust VAT Reg.		Invoice Date
					13-06-2016

Qty/Hrs	Item	Description	Rate	Total
1	Service	Route Marketing Subsidy	4 850 000.00	4 850 000.00
1	Service	Airport Operations Costs	11 000 000.00	11 000 000.00

Banking Details

Bank Name Nedbank
Branch Mahikeng
Account Type: Current
Account No: 112 382 9373
Account Name: Valotech Facilities Management
Ref: Client Invoice Number

Subtotal	R15 850 000.00
VAT	R0.00
Total	R15 850 000.00
Deposits	R0.00
Balance Due	R15 850 000.00



THP



sa express

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1 Janes Road
T: +27 (0)11 978 9900
F: +27 (0)11 978 5578

P O Box 101
OR Tambo International Airport
1627
South Africa
www.flyexpress.aero

June 2016

Head of Department
Dept Community Safety and Transport Management
North West Provincial Government
Mahikeng

Dear Mr Mosiane

Mahikeng International Airport

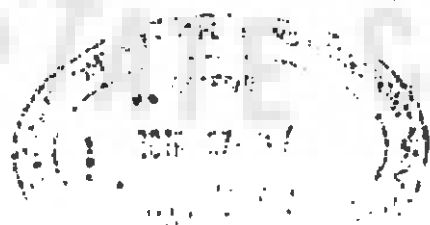
SA Express Airways would like to notify the Department Community Safety and Transport Management of the appointment of Valotech Facilities Management (Registration 2011/095681/23) as the Handling Company for Mahikeng International Airport.

SA Express has sent through the signed contract to the department.

Yours sincerely

Brian Tebogo Van Wyk
General Manager: Commercial

PAID



Board of Directors: G N Mothema (Chairperson), J Ntshanga* (Chief Executive Officer), M R Shaleya* (Chief Financial Officer),
T Abrahams, S P B Dabate, R Neliker (Inda), J N Nkabinde, P Ramosebuck, G R Sibaya

Company Secretary: M Gie
* Executive Director

South African Express Airways SOC Ltd
Co Reg No. 1990/007412/30
VAT Reg No. 4400140498

0078-0973-0001-0173

20001
RP007BS

BAS

EBT STUBS 12.07.2016

NW: COMM SAFETY & TRNSP MANAGMNT
PAYMENT STUB

DATE: 12/07/2016

TIME: 18:04:24
PAGE 51

CONTACT PERSON : KUTLWANO PHATUDI
INSTALLATION DESCRIPTION: NW: COMM SAFETY & TRNSP MANAGMNT
LOCATION DESCRIPTION : NW: COMM SAFETY & TRNSP MANAGMNT

PAYEE NAME : VALDTECH FACILITIES MAN11449000
PAYMENT ADDRESS: PO BOX 4587
MMABATHO
MMABATHO C80
MMABATHO
2735

CONTACT TEL NO : 018 381 9104
DISBURSEMENT NO: 000619988
ACTION DATE : 13/07/2016

BANK NAME : NEDBANK LIMITED
BANK BRANCH : NEDBANK SOUTH AFRICA
ACCOUNT TYPE: CURRENT
ACCOUNT NO : 1123829373

SOURCE DOC NUMBER	PURCHASE ORDER NUMBER	PAYMENT NUMBER	FUNCTIONAL AREA	USER	AMOUNT
051	05E015094P	001328875	AP	APMLKR	15,850,000.00
				TOTAL	15,850,000.00

PAYMENT WAS RE-ROUTED TO A CREDIT TRANSFER. NEW ACTION DATE: 13/07/2016. DISBURSEMENT NUMBER: 619988.

**** END OF REPORT RP007BS ****

PAID

REQUEST FOR CREDIT TRANSFER
NW: COMM SAFETY & TRNSP MANAGNT

BAS SERIAL NUMBER: 00000562

THE GENERAL MANAGER
ABSA BANK
PO BOX 427
PRETORIA
0001

DATE:

D	M	C	Y
1	3	0	7
2	0	1	6

FOR ATTENTION: THE MANAGER BANKING SERVICES
DEAR SIR/MADAM
PAYMENT TO

PLEASE CREDIT THE ACCOUNT HOLDER
ACCOUNT NUMBER : VALOTECH FACILITIES MAN114449000
BANK : VALOTECH FACILITIES MAN114449000
BRANCH CODE : 2123829373
PAYMENT DETAILS : NEDBANK LIMITED
: 198765
: BASU09-NW: PUBLI, DBNO:000619988

VALUE DATE

D	M	C	Y
1	3	0	7
2	0	1	6

AMOUNT

: R15850000.00*****

B I L L I O N S				M I L L I O N S				T H O U S A N D S				CENTS	
HUNDREDS	TENS	UNITS	HUNDREDS	TENS	UNITS	HUNDREDS	TENS	UNITS	HUNDREDS	TENS	UNITS	UNITS	CENTS
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	00	00
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	00	00

Debit Account number : 04085956636

1st AUTHORIZED SIGNATORY

2nd AUTHORIZED SIGNATORY

FOR HEAD OF DEPARTMENT :

DEPARTMENTAL DATE STAMP

DEPARTMENT OF COMMUNITY SAFETY & TRANSPORT MANAGEMENT PRIVATE BAG K13 MAMABATHO 2735	13 JUL 2016	PROVINCE OF THE NORTH WEST REPUBLIC OF SOUTH AFRICA REPUBLIC VAN SUID AFRIKA
--	-------------	--

Annexure “KP 8”



SA Express

we fly for you

2nd Floor
E Block Offices
Airways Park
1 Jones Road
T +27 (0)11 576 5500
F +27 (0)11 576 5578

P.O. Box 101
OR Tambo International Airport
1627
South Africa

June 2016

Head of Department
Dept Community Safety and Transport Management
North West Provincial Government
Mahikeng

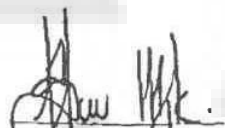
Dear Mr Mosiane

Mahikeng International Airport and Pilanesburg International Airport

SA Express Airways would like to confirm to the Department Community Safety and Transport Management that Valotech Facilities Management (Registration 2011/095681/23) is the appointed Handling Company for Mahikeng International Airport and Koreneka Event Managers T/A Koreneka Trading and Projects (Registration 2007/051834/23) is the appointed Handling Company for Pilanesburg International Airport. Should there be any further changes the department will be duly advised.

SA Express has sent through the signed contract to the department.

Yours sincerely



Brian Tebogo Van Wyk
General Manager: Commercial

PAID

Board of Directors: G N Momo (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shetkey* (Chief Financial Officer),
T Abraham, B P B Dibate, R Naitham (India), J N Nkabinde, P Ramosebudi, G R Sibaya

Company Secretary: M Gie
* Executive Director

South African Express Airways SOC Ltd
Co. Reg No. 1990/007412/30
VAT Reg No. 4400140499



Annexure “KP 9”





we fly for you

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Airways Park
1 Jones Road
T: +27 (0)11 978 9900
F: +27 (0)11 978 5578

P O Box 101
OR Tambo International Airport
1627
South Africa
www.flyexpress.aero

29 March 2017

Mr. B. Chuma
HOD: Community Safety and Transport Management
Tirelo Building
Mahikeng

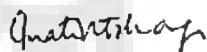
RE: APPOINTMENT OF MAHIKENG AIRPORT MANAGEMENT COMPANY

Dear Mr. Chuma,

This is to inform you that SA Express has appointed and signed a Service Level Agreement with Mahikeng Airport Management Company as the management and ground handling company at Mahikeng Airport in accordance with the Agreement entered into between SA Express and the North West Department of Community Safety & Transport Management. This contract is effective 01 April 2017 and is valid for three years.

The subsidy as set out in Clause 6 (accompanied by ANNEXE "A") of the Agreement between SA Express and Department of Community Safety & Transport Management can now be paid over to Mahikeng Airport Management Company.

Yours sincerely,



Inati Ntshanga
Chief Executive Officer

PAID

Board of Directors: G N Mothema (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shelley* (Chief Financial Officer),
T Abrahams, B P B Dabate, R Nailham (India), J N Nkabinde, P Ramosebudi, G R Sibya

* Company Secretary: M Gie
* Executive Director

South African Express Airways SOC Ltd
Co Reg No 1990/007412/30
VAT Reg No 4430140499



Annexure “KP 10”



Manco Payman
Back including

- SLA
- Appointment letter
- Invoice
- xyz
- Proof of Payman

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III

464



dcs&tm

Department
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PAYMENT FLOW AND QUERY SHEET

RECEIVING	
Ref No:	G5E016634 (PO) . (Order/ID/Co no.)
NAME	Jethroonolo
SIGN	<i>[Signature]</i>
DATE	28/04/2017

COMPLIANCE & PRE-AUDIT	
NAME	Eynothia
SIGN	<i>[Signature]</i>
DATE	28-04-2017

REMITTANCE	
NAME	Agnes
SIGN	<i>[Signature]</i>
DATE	07/05/2017

FILING	
File Ref No:	
NAME	Malebogo
SIGN	<i>[Signature]</i>
DATE	2018.02.03

THE



NORTH WEST PROVINCE

N.W. M4

699381

464

B: Payment Copy

Supplier Code

Order Number:

Registration Number: 22-2-2011-11111111
SAFETY & TRANSPORT DEPARTMENT
Official Stamp Must Be Affixed

PI BAG X 19, MHARATHO, 2715

2017-04-21

PROVINCE OF THE NORTHWEST
REPUBLIC OF SOUTH AFRICA
REPUBLIC OF SOUTH AFRICA

Subject to the conditions on the back hereof, please supply the under mentioned goods / services for which purpose a rail warrant is attached.

Deliver to

Rail Warrant Number

Invoice to

BOOK

Postal Address



Order Date

Rail Privatization

Delivery Date

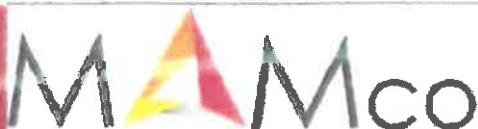
Telephone Number

Item No.	Description / Allocation	Quantity	Units	Unit Price (Inc. VAT)	Total Line Amount
	SUBSIDY FOR OPERATIONAL STATUS MAINTENANCE AIRPORT MAINTENANCE HOUSE - MAINTENANCE SUBSIDY AIR TRAFFIC & NAVIGATION SERVICES ***** *****				
	** END OF ORDER **				
	<div style="text-align: right;">  FINANCE DIRECTORATE </div>				

DB 1100281	09-05-2017		7	Total of Order	115,858,200.00
Cheque Number	Cheque Date	Signature			
I certify that on the above mentioned order has in every respect been properly executed, that the goods are correct according to specifications and that they have been received in good condition.		I certify that the above order is in agreement with the invoices, that the charges are according to contract agreement or so far fair and reasonable and that payment can be made.			
Signature	Description	Date	Signature	Description	Date
	Chief User Clerk	28/04/2017		S.N	28-04-2017

11

PROCUREMENT REQUISITION/CONTROL FORM[illegible]



Mahikeng Airport Management
Company

REG No. 2016/384350/07

**Strategy - Facilitation -
Execution**

INVOICE - CSTMA 01

Customer		Misc
Name	Mr. B. Chuma	Date
Org/comm	Ag. HOD - Dept. Community Safety and Transport Management Tirelo Building	Order No.
Address	MAHIKENG Province: North West Province	Rep
Email	bchuma@nwpg.gov.za	FOB

Qty	Description	Unit Price	TOTAL
1	Subsidy for Operational Setup - Mahikeng Airport	R 11 000 000,00	R 11 000 000,00
1	Mafikeng Route - Marketing Subsidy	R 4 850 000,00	R 4 850 000,00

Subtotal R 15 850 000,00

TOTAL R 15 850 000,00

Contact Information

Cell: 082 825 9002 Fax: 086 689 9665. Email:
ceo@mahikengairport.co.za

North West Office: 32 Geranium Drive, Riviera Park, MAHIKENG, 2745,
P. O. Box 8909, MMABATHO, 2735

OUR BANKING DETAILS

ABSA

Account No: 4090357918 * Branch No:
632005 * Branch Name: MAHIKENG

Thank You For Your Support!



TR

Department..... 05 DEPARTMENT OF COMMUNITY SAFETY AND TRANS
 Item..... 03044 SA EXPRESS
 Obj..... 30019 HTR:TRANSPORT SYSTEMS*P
 Responsibility..... 30190 DIV:AIRPORT ADMIN*P
 Fund..... 00038 VOTED FUNDS
 Proj..... 00018 NO PROJECTS
 Asset Category..... 00022 NON-ASSETS RELATED
 Region Identifier..... 00058 NW: WHOLE PROVINCE
 Infrastructure..... 00022 INFRASTRUCTURE TRANSFERS CURRENT
 Year..... 2017

Budget Amount.....: 93,560,000.00
 Expenses.....: .00
 Commitments.....: .00

- Total Exp & Comm...: .00
 AVAILABLE BUDGET : 93,560,000.00

Next transaction B09 Security Status: COMPLETE SC / BS05
 F1=Help F2=Next txn F3=Exit F4=Prompt F5=Hold txn F6=Change sys
 F7= F8= F9= F10= F11= F12=Main menu



2nd Floor
E Block Offices
Aurys Park
1 Jones Road
T: +27 (0)11 678 9900
F: +27 (0)11 678 9978

P O Box 101
OR Tambo International A
1627
South Africa
www.flyexpress.aero

Valotech Facilities Management CC
34 Impala Street
Golf Avenue
Mafikeng, North West
2745

13 March 2017

Dear Sir/Madam

**Re: TERMINATION OF STANDARD GROUND HANDLING AGREEMENT BETWEEN
VALOTECH FACILITIES MANAGEMENT CC AND SA EXPRESS**

This letter serves as confirmation of termination for standard ground handling services at Mafikeng Airport. The agreement shall terminate on the **31 March 2017**.

Please liaise with the newly appointed airport management company.

Yours faithfully,

Inati Ntshanga
CEO

PAID

Board of Directors: G M Mothema (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shale* (Chief Financial Officer),
T Abrahams, B P B Dube, R Harris (Int-a), J N Ndabande, P Ramosebudi, G R Shaya

Company Secretary: M G
* Executive Director

South African Express Airways SOC Ltd
Co Reg No: 165/007417/30
VAT Reg No: 4420140456



2nd Floor
E Block Offices
Airways Park
1 Jones Road
T: +27 (0)11 978 9900
F: +27 (0)11 978 5578

P O Box 101
OR Tambo International
1627
South Africa
www.flysaexpress.aero

17 March 2017

Mr. Bhuti Chuma
Acting HOD: DCS and TM
Department of Community Safety and Transport Management
Mahikeng Airport
Bray Road
Mahikeng
2725

RE: PAYMENT OF MANAGEMENT AND ROUTE SUBSIDY

Dear Mr. Chuma

As per the letter sent to you, we confirm that you have given notice of termination to both Valotech effective 31 March 2017 and Koroneka effective 15 April 2017 respectively, as earlier communicated. We have appointed Mahikeng Airport Management Company to manage Mahikeng Airport effective 1 April 2017. We are in the process of appointing a Pilanesburg Airport Management Company to manage Pilanesburg airport effective 16 April 2017. We would like to request that all subsidies moneys due be settled accordingly.

Yours sincerely,

Inati Ntshanga
Inati Ntshanga
Chief Executive Officer

PAID

Board of Directors: G N Moshema (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shaleya* (Chief Financial Officer),
T Abrahams, B P B Odele, R Ntshani (Indis), J N Mabunda, P Ramosebudi, G R Sinye

Company Secretary: M Gae
* Executive Director

South African Express Airways SOC Ltd
Co Reg No 159008741230
VAT Reg No 4400140425

JP



dcs&tm

Department:
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

TRANSPORT OPERATIONS

Tirelo Building Albert Luthuli Road
Mafikeng, 2745
P/Bag X 19 Mmabatho 2735
Tel: +27 (18) 388 4474
Fax: +27 (088) 621 8400

REQUEST FOR QUOTATION FORM

DIRECTORATE : TRANSPORT OPERATIONS
CONTACT PERSON : LA MONGAE
TEL : 018 200 8028
PLACE OF DELIVERY : TIRELO
DATE : 12/04/2017



COMMODITY	SPECIFICATION	QUANTITY
SUBSIDY FOR OPERATIONAL SETUP – MAFIKENG AIRPORT	SUBSIDY FOR OPERATIONAL SETUP – MAFIKENG AIRPORT	01
MAFIKENG ROUTE – MARKETING SUBSIDY	MAFIKENG ROUTE – MARKETING SUBSIDY	01

NB: REQUEST FOR QUOTATIONS MUST BE SUBMITTED FIVE DAYS BEFORE

QUOTATION AMOUNTING TO 30,000 UP TO 1 000,000 WILL BE EVALUATED ON 80/20 PRINCIPLE

COMPULSORY LEGAL DOCUMENTS REQUIRED

The following documents must be attached to the quotation with amount of R30 000.00 and above;

- Valid original tax clearance certificate
- Company registration certificate
- Certified copy/s of identity document of main shareholder/directors
- Certified copy or original BBBEE status level certificate
- Joint venture agreement (if any)

***NB SBD FORMS MUST BE FULLY COMPLETED AND SIGNED WHERE NECESSARY**

Closing date of the quotation:

Time: 1

"Together we can move Bokone Bophirima Forward"

DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

PROCUREMENT CHECKLIST

SUPPLIER NAME: Matibeng Airport Academy FILE NO: _____ORDER NUMBER: 05E016634 P. 1

NB: The user is required to tick the appropriate box and sign the checklist



STAGE ONE (Demand Unit)			
Verification of goods/services required as per procurement plan	YES	NO	N/A
Description: <u>Air Traffic & Navigation Services</u>	YES	NO	N/A

Signature: [Signature] Date: 12/04/2017

STAGE TWO (Acquisition Unit)			
1. Verify validity of contracts	YES	NO	N/A
2. If YES check if the quotation is as per the contract terms, conditions and pricing	YES	NO	N/A

Signature: [Signature] Date: 12/04/2017

STAGE THREE (DEMAND MANAGEMENT)			
1. Obtain minimum number of three quotations	YES	NO	N/A
2. Pro quote quotations	YES	NO	N/A
3. Manual quotations	YES	NO	N/A
4 Deviation attached for less than three quotations	YES	NO	N/A
5 Verified the tax status on the SARS website/Original or certified valid Tax clearance Certificate for above R30 000	YES	NO	N/A
6 SBD 4 form completed and attached	YES	NO	N/A
7 SBD 8 form completed and attached	YES	NO	N/A
8 SBD 9 form completed and attached	YES	NO	N/A
9 SBD 6.2 form completed on Furniture or textile	YES	NO	N/A
10 Certified BBBEE certificate	YES	NO	N/A
11. Company registration certificate for payment above R30 000.00	YES	NO	N/A
12. 80/20 Evaluation process done for payment above R30 000.00	YES	NO	N/A

Signature: [Signature] Date: 12/04/2017

STAGE FOUR (Programme manager)			
1. Three quotations attached	YES	NO	N/A
2. Verify validity of contract/Amount within the original contract amount	YES	NO	N/A
3. Variation approved by the HOD	YES	NO	N/A

Signature: [Signature] Date: 19/04/17

STAGE FIVE (Budget Control Unit)			
1. Correctness of allocation code verified	YES	NO	N/A
2. Availability of budget & cash-flow verified	YES	NO	N/A

Signature: [Signature] Date: 12/04/17

STAGE SIX (Asset Management)			
1. Confirmation of Asset Item Code allocation	YES	NO	N/A
2. Confirmation of Asset classification. (Minor)	YES	NO	N/A
3. Confirmation of Asset classification. (Capital)	YES	NO	N/A

Signature: [Signature] Date: 12/04/2017

sa express
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1 Jones Road
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F: +27 (0)11 978 5578

P O Box 101
OR Tambo International Airport
1627
South Africa
www.flyexpressaero

29 March 2017

Mr. B. Chuma
HOD: Community Safety and Transport Management
Tirelo Building
Mahikeng

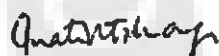
RE: APPOINTMENT OF MAHIKENG AIRPORT MANAGEMENT COMPANY

Dear Mr. Chuma,

This is to inform you that SA Express has appointed and signed a Service Level Agreement with Mahikeng Airport Management Company as the management and ground handling company at Mahikeng Airport in accordance with the Agreement entered into between SA Express and the North West Department of Community Safety & Transport Management. This contract is effective 01 April 2017 and is valid for three years.

The subsidy as set out in Clause 6 (accompanied by ANNEXE "A") of the Agreement between SA Express and Department of Community Safety & Transport Management can now be paid over to Mahikeng Airport Management Company.

Yours sincerely,



Inati Ntshanga
Chief Executive Officer

PAID

Board of Directors: G N Mothema (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shelley* (Chief Financial Officer),
T Abrahams, B P B Dibale, R Nelheru (India), J N Nkabinde, P Ramosebudi, G R Sibiya

* Company Secretary: M Gie
* Executive Director

South African Express Airways SOC Ltd
Co Reg No 1990/007412/30
VAT Reg No 4400140499



Annexure “KP 11”





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South Africa
www.flyexpress.aero

24 March 2017

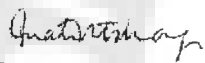
Mr. Bhuti Chuma
Acting HOD: DCS and TM
Department of Community Safety and Transport Management
Mahikeng Airport
Bray Road
Mahikeng
2725

**RE: APPOINTMENT OF MANAGEMENT COMPANY AND MANAGEMENT COMPANY
SUBSIDY**

Dear Mr. Chuma

As per the letter sent to you, we confirm that we have appointed Halcyon (Pty) Ltd T/A
Pilanesburg Airport Management Company to manage Pilanesburg Airport effective 16 April 2017.
We would like to request that all subsidies moneys due be settled accordingly.

Yours sincerely,


Inati Ntshanga
Chief Executive Officer

1

PAID

Board of Directors: G N Mothema (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shelley* (Chief Financial Officer),
T Abrahams, B P B Dibele, R Ntshani (India), J N Nkabinde, P Ramosebudi, G R Sibiyi

Company Secretary: M Gie
* Executive Director

South African Express Airways SOC Ltd
Co. Reg. No. 1990/007412/30
VAT Reg. No. 4400140499

TTP

Annexure “KP 12”





Handwritten signature or initials.



dcs&tm

Department:
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PAYMENT FLOW AND QUERY SHEET

RECEIVING	
Ref No: <u>0580/2159</u> (Order/ID/Co no.)	<div>DEPARTMENT OF COMMUNITY SAFETY & TRANSPORT MANAGEMENT RECEIVED 2017 -06- 28 FINANCE DIRECTORATE</div>
NAME <u>Lethogonolo</u>	
SIGN <u>[Signature]</u>	
DATE <u>26/06/2017</u>	

COMPLIANCE & PRE-AUDIT	
NAME <u>Navis</u>	<div>COMMENTS/QUERIES COMPLIANCE SIGNATURE: <u>[Signature]</u></div>
SIGN <u>[Signature]</u>	
DATE <u>2017/06/28</u>	

REMITTANCE	
NAME <u>Agnes</u>	<div>COMMENTS/QUERIES </div>
SIGN <u>Anakayem</u>	
DATE <u>27/06/17</u>	

FILING	
File Ref No: _____	<div>PAID</div>
NAME <u>IMP 0150</u>	
SIGN <u>[Signature]</u>	
DATE <u>30/06/2017</u>	

ILF

PRMCO (Hydrogen)
 Payment Receipt
 Apartment Value
 - - -
 SLA
 Invoice
 - - -
 Payment to Year
 for
 Proof of



Handwritten signature/initials

308.

PROCUREMENT REQUISITION/CONTROL FORM					
DIRECTORATE: 30019			REQUISITION NO: 30019-6		
Pilanesberg Airport Management Company P. O. Box 4587 Mmabatho 2735			TENDERS AND/OR QUOTATIONS SUPPLIER 1 Pilanesberg Airport SUPPLIER 2 SUPPLIER 3		
DESCRIPTION OF GOODS/SERVICE(S) Part 1			QUANTITY	R	R
Route Marketing Subsidy for Pilanesberg International Airport				15 550 000.00	
Airport Operations cost					
in Pilanesberg					
Air Traffic & Nav Aids Comp				15 550 000.00	
REQUESTED BY: D. BAIKAKI TEL: 018 365 1059			LOGISTIC CONTROL OFFICE		
ACCOUNTING CONTROL KEY		BUDGET		LOGISTIC OFFICIAL	
SEGMENT TYPE	CODE		BUDGET	FULL NAMES	
ITEM (I)	03044	ORIGINAL BUDGET	93 560 000.00	Chitarnetso Tlape	
ACTIVE (O)	30019	EXP. TO DATE	73 850 000.00	SIGNATURE	
RESPONSIBILITY (R)	30190	COMMITMENT	0.00	DATE	
FUNDS (F)	00036	BALANCE	19 710 000.00	21/06/2017 TEL NO: 8414	
PROJECT (P)	00018	EXPENDITURE APPLIED	15 550 000.00		
ASSETS (A)	00022	AVAILABLE BUDGET	4 160 000.00		
REGIONAL IDENTIFIER (M)	00058				
INFRASTRUCTURE	00094				
PREPARED BY (FULL NAMES)			ORDER NUMBER		
SAFANS MATLO			05/01/159P		
SIGNATURE			LOGISTIC APPROVAL		
TELE NO: 014 552 1261			FULL NAMES		
DATED 31/05/2017			Carol Motthabane		
APPROVED BY			SIGNATURE		
TELE NO: 018 365 1055			DATE		
DATED 31/05/2017			20/06/21		
AUTHORISATION BY BUDGET CONTROL OFFICE			PART 4		
BUDGET AVAILABLE			2017-06-12		
FULL NAMES			APPROVED SIGNATURE		
DATE			PROVINCE OF THE NORTH WEST		
TEL NO			REPUBLIC OF SOUTH AFRICA		
PART 2			REPUBLIC VAN SUID AFRICA		
APPROVED BY: HOD/CEO/SCM/DFM			DISTRIBUTION OF GOODS		
FULL NAMES			DISTRIBUTED BY (SIGNATURE)		
SIGNATURE			FULL NAMES		
DATE APPROVED			DATE		
TEL NUMBER			RECEIVED BY (SIGNATURE)		
			FULL NAMES		
			DATE		

NB Requisition for purchase/service will not be processed unless the above details have been properly filled.

Tol

Tax Invoice



Halcyon (PTY) LTD to Pilanesberg Airport Management Company
 Address: 21 Main Street, Noordhoek Building, 2nd Floor, Office #8
 Postal: PO Box 4587, Mmabatho, North West, 2735
 Email: pilanesburgame@gmail.com
 Cell: +27 78 092 6868

Client Details					
Client Name	Northwest Department of Community Safety & Transport	Start Date	22-May-2017	Invoice No	1
Client Phone	0183819100	End Date	22-May-2017	Account No	NWCST001
Client Address	Safety House 31324 Molopoe Road, Mahikeng, 2735	Supplier No		Invoice Date	22-May-2017 1

Qty/Hrs	Item	Description	Rate	Total
1	Service	Route Marketing Subsidy	4,550,000.00	4,550,000.00
1	Service	Airport Operations Cost	11,000,000.00	11,000,000.00

Banking Details

Bank Name: FNB
 Branch: Mahikeng
 Branch Number: 240340
 Account Type: Business Cheque
 Account No: 626 8995 2317
 Account Name: Halcyon (PTY) LTD
 Ref Client Invoice Number

Subtotal	ZAR 15,550,000.00
VAT	ZAR 0.00
Total	ZAR 15,550,000.00
Deposits	ZAR 0.00
Balance Due	ZAR 15,550,000.00 1



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South Africa
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24 March 2017

Pilanesburg Airport Management Company
21 Main Street
Noordhoek Building
Mahikeng
2725

RE: APPOINTMENT OF MANAGEMENT COMPANY FOR PILANESBURG INTERNATIONAL AIRPORT

Dear Ms Dube

We confirm that we have appointed Halcygen (Pty) Ltd T/A Pilanesburg Airport Management Company to manage Pilanesburg Airport effective 16 April 2017. SA Express and Pilanesburg Airport Management Company shall enter into a Service Level Agreement for the duration of the contract

Yours sincerely,

Inati Ntshanga
Inati Ntshanga
Chief Executive Officer

Board of Directors: G N Mofhebe (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shelley* (Chief Financial Officer),
T Abrahams, B P B Dube, R Ntshang (India), J N Nkomo, P Ramosebudi, G R Sibya

Company Secretary: M Gae
* Executive Director

South African Express Airways SOC Ltd
Co Reg No 1990/087412/30
VAT Reg No 4403140499

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F: +27 (0)11 978 6578

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South Africa
www.flyexpress.aero

24 March 2017

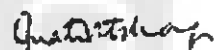
Mr. Bhuti Chuma
Acting HOD: DCS and TM
Department of Community Safety and Transport Management
Mahikeng Airport
Bray Road
Mahikeng
2725

**RE: APPOINTMENT OF MANAGEMENT COMPANY AND MANAGEMENT COMPANY
SUBSIDY**

Dear Mr. Chuma

As per the letter sent to you, we confirm that we have appointed Halcyon (Pty) Ltd T/A
Pilanesburg Airport Management Company to manage Pilanesburg Airport effective 16 April 2017.
We would like to request that all subsidies moneys due be settled accordingly.

Yours sincerely,



Inati Ntshanga
Chief Executive Officer

1

Board of Directors: G N Mothema (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shale* (Chief Financial Officer),
T Abrahams, S P B Dibale, R Ndhami (Inde), J N Nkomo, P Ramosebudi, G R Sibya

Company Secretary: M Gie
* Executive Director

South African Express Airways SOC Ltd
Co Reg. No. 1990/007412/30
VAT Reg. No. 4400140499





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1627
South Africa
www.flyexpress.com

The Director
Koroneka Trading and Projects
No. 22 NWDC Building
1st Street Industrial Site
Mafikeng, North West

13 March 2017

Dear Ms. Babadi Tlatsana

**Re: TERMINATION OF STANDARD GROUND HANDLING AGREEMENT BETWEEN
KORONEKA TRADING & PROJECTS AND SA EXPRESS**

This letter serves as confirmation of termination for standard ground handling services at Pilanesburg International Airport. The agreement shall terminate on the **31 March 2017**.

Please liaise with the newly appointed airport management company.

Yours faithfully,

Inati Ntshanga

CEO

Board of Directors: G N Mothema (Chairperson), I Ntshanga* (Chief Executive Officer), M R Sney* (Chief Financial Officer),
T Aboveng, B P S Dots, R Marais (Inda), J M Mavundla, P Ramosebusi, G R Sibiya

Company Secretary: M Goe
* Executive Director

PAID

South African Express Airways SOC Ltd
Co. Reg. No. 1998/007412/00
VAT Reg. No. 4403140489

PROCUREMENT CHECKLIST

SUPPLIER NAME: Hakugen (Pty) Ltd

FILE NO. _____

ORDER NUMBER: OSF OF 17159P

P. _____

NB: The user is required to tick the appropriate box and sign the checklist

**STAGE ONE (Demand Unit)**Verification of goods/services required as per procurement plan YES ☒ NO ☐ N/A ☐Description Route Marketing Subsidy for Planesberg Inter Airport in Planesberg. YES ☒ NO ☐ N/A ☐Signature: [Signature]Date: 01.06.2017**STAGE TWO (Acquisition Unit)**1. Verify validity of contracts YES ☐ NO ☐ N/A ☐2. If YES check if the quotation is as per the contract terms, conditions and pricing YES ☐ NO ☐ N/A ☐Signature: [Signature]Date: 02/06/2017**STAGE THREE (ACQUISITION MANAGEMENT)**1. Obtain minimum number of three quotations YES ☐ NO ☐ N/A ☒2. Pro quote quotations YES ☐ NO ☐ N/A ☒3. Manual quotations YES ☐ NO ☐ N/A ☒4 Deviation attached for less than three quotations YES ☐ NO ☐ N/A ☒5 Verified the tax status on the SARS website/Original or certified valid Tax clearance Certificate for above R30 000 YES ☐ NO ☐ N/A ☒6 SBD 4 form completed and attached YES ☐ NO ☐ N/A ☒7 SBD 8 form completed and attached YES ☐ NO ☐ N/A ☒8 SBD 9 form completed and attached YES ☐ NO ☐ N/A ☒9 SBD 6.2 form completed on Furniture or textile YES ☐ NO ☐ N/A ☒10 Certified BBBEE certificate YES ☐ NO ☐ N/A ☒11. Company registration certificate for payment above R30 000.00 YES ☐ NO ☐ N/A ☒12. 80/20 Evaluation process done for payment above R30 000.00 YES ☐ NO ☐ N/A ☒Signature: [Signature]Date: 2017/06/12**STAGE FOUR (Programme manager)**1. Three quotations attached YES ☐ NO ☐ N/A ☒2. Verify validity of contract/Amount within the original contract amount YES ☐ NO ☐ N/A ☒3. Variation approved by the HOD YES ☐ NO ☐ N/A ☒Signature: [Signature]Date: 02/06/2017**STAGE FIVE (Budget Control Unit)**1. Correctness of allocation code verified YES ☐ NO ☐ N/A ☒2. Availability of budget & cash-flow verified YES ☐ NO ☐ N/A ☒Signature: [Signature]Date: 12.06.17**STAGE SIX (Asset Management)**1. Confirmation of Asset Item Code allocation YES ☐ NO ☐ N/A ☒2. Confirmation of Asset classification. (Minor) YES ☐ NO ☐ N/A ☒3. Confirmation of Asset classification. (Capital) YES ☐ NO ☐ N/A ☒Signature: [Signature]Date: 12.06.2017

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STANDARD SERVICE LEVEL AGREEMENT

ANNEX B - LOCATIONS, AGREED SERVICES, FACILITIES AND CHARGES to the Standard Service Level Agreement

Between

SOUTH AFRICAN EXPRESS AIRWAYS SOC LIMITED

Registration Number: 1990/007412/30

(Hereinafter referred to as "the Carrier")

And

Halcyon (Pty) Ltd

T/A Pilanesburg Airport Management Company

Registration Number: 2011/115752/07

(Hereinafter referred to as "the Handling Company")

This Annex : B1.0
for the location : North West Province Airport Operations – Mahikeng
is valid from : 15 April 2017 until 15 April 2020
and replaces : Nil

1 RECORDALS

- 1.1 **SOUTH AFRICAN EXPRESS AIRWAYS SOC LIMITED** is a state owned company duly incorporated in terms of the company laws of the Republic of South Africa, having its principal place of business situated at 2nd Floor, E Block, Airways Park, Jones Road, Kempton Park, Republic of South Africa.

PAID

IN
N.D

Handwritten signature

- 1.2 Halcyon (Pty) Ltd T/A Pilanesburg Airport Management Company**
is a private company duly incorporated in terms of the company laws of the Republic of South Africa, having its principal place of business situated in North West Province, Republic of South Africa.

2 PREAMBLE

This Annex is prepared in accordance with the simplified procedure whereby the Parties agree that the terms of the Main Agreement and Annex A of the SGHA of January 2013, as published by IATA shall apply as if such terms were repeated here in full, unless amended by the provisions of this Annex, in which case the provisions of this Annex shall prevail. Both parties confirm they are familiar with the aforementioned Main Agreement and Annex A.

The parties hereby record their agreement that the Handling Company will provide Ground Handling services to the Carrier at the location set out in the relevant Appendices attached hereto.

3 GENERAL

- 3.1** The Carrier and the Handling Company agree to give the highest importance to the compliance to all applicable laws and regulations governing their activities and expects its agents and contractors to do the same. Of particular concern are laws relating to anti-bribery, anti-trust and labour relations (including but not limited to the prohibition of child labour).

- 3.2** The Handling Company shall comply at all times with and shall ensure that its employees, subcontractors and agents comply with:

- 3.2.1** All laws and regulations applicable in its country of establishment and all other countries in which services are provided under this Agreement;

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3.2.2 Applicable IATA and/or ICAO and/or other governing rules, regulation and procedures;

3.2.3 All international treaties and regulations that apply in general to commerce and in particular to the operation of aircraft, transportation of passengers and air freight or mail.

3.3 The Carrier and the Handling Company shall ensure that their respective personnel assigned to the performance of this Agreement are aware of all relevant legislation applicable to commerce in general, aircraft operation, passenger transportation and air freight.

3.4 Further, the Carrier and the Handling Company shall ensure that all their respective employees assigned to the performance of this Agreement where applicable, are made aware of the essentials of rules and/or regulations governing competition, antitrust, bribery, kick-backs, secret commissions and payments to government officials in its country of residence, establishment as well as such regulations with extraterritorial applications.

4 PROVISION OF SERVICES

4.1 The services will be made available within the limits of possibilities of the Handling Company and in accordance with the applicable IATA and/or ICAO and/or other governing rules, regulations and procedures.

4.2 It is not considered necessary or possible to specify every detail of the services to be rendered in terms of this Agreement it being generally understood what such services are and the standards to be attained in their performance.

5. HANDLING COMPANY'S WARRANTIES

5.1. The Handling Company warrants the Carrier that –

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- 5.1.1 it will discharge their obligations under this Agreement with all due skill, care and diligence;
- 5.1.2 for the duration of this Agreement, it shall maintain the B-BBEE status it had upon its appointment by the Carrier to provide the Services;
- 5.1.3 It will be solely responsible for the payment of remuneration of the Personnel and associated benefits, if any, and for withholding and remitting income tax for its Personnel in conformance with any applicable laws and regulations;
- 5.1.4 it understands and accepts that within the Carrier operational environment, strict safety operational controls, measures, policies, rules, laws, processes and procedures apply. The Handling Company will ensure full compliance at all times and it will ensure that maximum care and attention is exercised for the safety of all concerned.

6 DOCUMENTS FOR GROUND HANDLING

Documents used for ground handling will be the Handling Company's own documents, where applicable, provided these documents comply with standardised formats that may apply under IATA and/or ICAO and/or other governing rules, regulations and procedures.

7 SCHEDULED FLIGHTS

- 7.1 The Handling Company agrees to provide, for the Carrier's Aircraft for flights operating on an agreed schedule at the agreed location.
- 7.2 The Carrier, in turn, agrees to inform the Handling Company as soon as possible about any changes of schedule and/or frequencies and/or types of aircraft. Such notification must be in writing and provided to the Handling Company not less than seven (7) days in advance, unless the changes relate

PAID N.D. IN

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to irregular operations, wherein the Carrier shall inform the Handling Company as soon as it becomes aware of the situation.

8 EXTRA FLIGHTS

The Handling Company will also provide the services to the Carrier's aircraft for flights, in addition to the agreed schedule, at the same locations, provided that 48 (forty-eight) hours prior notice is given and the provision of such additional services will not prejudice commitments already undertaken by the Handling Company.

9 PRIORITY

9.1 In case of multiple handling of the Carrier's flights, the Carrier shall inform the Handling Company in writing, which flights to prioritise, between scheduled, non-scheduled and irregular operating flights and shall exempt the Handling Company from any impact on service level obligations that may result directly from the Carrier's election in this regard.

9.2 Flights that operate by more than one hour (1HR) from their scheduled departure or arrival time will be considered "out of schedule" and handled as such.

10 EMERGENCY ASSISTANCE

10.1 It is the responsibility of the Handling Company to participate in local emergency response plan(s) in order to provide support to the Carrier in event of an emergency including but not limited to, forced landing, accidents or acts of violence. The Carrier will contact the Handling Company to establish the carrier's needs in an emergency and provide the Handling Company its current emergency procedures. In the absence of the Carrier's instructions, in part or whole, the Handling Company shall follow its own emergency response plan(s).

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10.2 In case of emergency, the Handling Company shall without delay activate its local emergency plan(s) which includes the immediate notification to the Carrier and establish open-line communications with the Carrier. The Handling Company shall take all reasonable measures to assist passengers, crew and family members and to safeguard and protect baggage, cargo and mail carried in the aircraft from loss or damage in co-operation with the relevant local authorities. All documentation and information pertaining to the emergency is the property of the Carrier and shall be held confidentially by the Handling Company, unless such documentation and information is specifically required by applicable law or by governmental or local authorities' regulations. The Carrier shall reimburse the Handling Company for expenses and disbursements incurred in rendering such assistance.

10.3 The Carrier shall reimburse the Handling Company at cost for any expenses incurred in rendering such assistance.

11 ADDITIONAL SERVICES

11.1 As far as reasonably possible, the Handling Company will, upon request, provide to the Carrier any additional services. Such services may be governed by special conditions and costs to be agreed between the Parties in writing, twenty four (24) hours before the event. Such services will consist of any request made by the Carrier not covered in the attached appendices.

12 PERSONNEL

12.1 The Handling Company shall recruit suitable personnel responsible for the provision of services, which shall consists of:

12.1.1 Three (3) Customer Service Agents (CSA); and

12.1.2 Three (3) General Workers.

12.1.3 Three (3) Cleaners/Gardeners

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12.2 The abovementioned personnel shall, with the assistance of the Carrier, receive ground handling training, to enable them to fully discharge their functions.

12.3 The Carrier shall provide the personnel with uniform, which will be issued once a year, in accordance with the Carrier's Uniform Policy.

13 OTHER LOCATIONS

In case of occasional flights of the Carrier's Aircraft to locations which are not designated in the present Agreement, where the Handling Company maintains a ground handling organisation, the Handling Company shall, on request, make every reasonable effort, subject to the means locally available, to furnish necessary services. The Handling Company shall charge the Carrier in accordance to the rates agreed to, in this Agreement.

14 FAIR PRACTICES

14.1 The Handling Company will take all practicable measures to ensure that sales information contained in the Carrier's flight documents is made available for the purposes of the Carrier only.

14.2 Neither Party to this Agreement shall disclose any information contained in this Agreement, and Annexure to third parties without the prior written consent of the other Party, unless such information is specifically required by law or by governmental or other applicable authorities' regulations, in which case the other Party will be notified accordingly.

15 SUB-CONTRACTING OF SERVICES

15.1 The Handling Company is entitled to delegate any of the agreed services to subcontractors subject to the Carrier's consent, which consent shall not be unreasonably withheld. It is understood that, in this case, the Handling Company shall nevertheless be responsible to the Carrier for the proper

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rendering of such services as if they had been performed by the Handling Company itself.

15.2 The Carrier shall not appoint any other company or organisation to provide the services which the Handling Company has agreed to provide by virtue of this Agreement, save where the Carrier has persistently complained about and documented in writing poor service delivery and such complaints were not heeded by the Handling Company within the required timeframes where such are detailed in the Service Level to be attached hereto.

15.3 The Handling Company shall under no circumstances charge the Carrier a mark-up fee for charges by the sub-contractor(s) to the Handling Company. The Carrier shall be liable only for the contracted costs with the Handling Company.

16 CARRIER'S REPRESENTATION

16.1 The Carrier reserves the right to assign a representative to oversee the provision of the services contemplated in this Agreement, at its own cost. Such representative(s) and representative(s) of the Carrier's head office may inspect the services furnished to the Carrier by the Handling Company pursuant to this Agreement, advise and assist the Handling Company and render to the Carrier's clients such assistance as shall not unreasonably interfere with the furnishing of services by the Handling Company.

16.2 The Carrier may, by prior written notice to the Handling Company and at its own cost, engage an organisation (hereinafter referred to as 'the Supervisor') to supervise the services of the Handling Company. Such notice shall contain a description of the services to be supervised. The Supervisor shall have the same authority as the Carrier's representative(s) defined above.

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16.3 Such assistance, when performed by the Carrier's representative(s) and/or Supervisor(s) will be the sole responsibility of the Carrier, unless requested by the Handling Company.

17 STANDARD OF WORK

17.1 The Handling Company shall carry out all services covered in this Agreement in accordance with the Carrier's written instructions and procedures, receipt of which must be confirmed in writing to the Carrier by the Handling Company.

17.2 In the case of absence of instructions by the Carrier, the Handling Company shall follow its own standard practices and procedures provided they comply with the applicable IATA and/or ICAO and/or other governing rules, regulations and procedures.

17.3 The Handling Company agrees to take all possible steps to ensure that, with regard to contracted services, the Carrier's Aircraft, crews, passengers and load receive preferential treatment over any other Carriers which the Handling Company might provide services to at the same location.

17.4 The Handling Company agrees to ensure that authorisations of specialised personnel performing services for the Carrier are kept up-to-date. If at any time the Handling Company is unable to provide authorised personnel as requested by the Carrier, the Handling Company shall inform the Carrier immediately.

17.5 The Handling Company shall ensure that the all technical equipment supplied for performing services for the Carrier is in good working condition at all times. Should the Handling Company be unable to provide the technical equipment as requested by the Carrier, the Handling Company shall inform the Carrier immediately.

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17.6 The Handling Company agrees to ensure that personnel performing services for the Carrier are provided with the necessary safety equipment i.e. goggles, earplugs, safety shoes, suitable clothing, rags, buckets, mops, etc.

17.7 The Carrier shall supply the Handling Company with sufficient information and instructions to enable the Handling Company to perform its handling properly.

17.8 In the provision of the services as a whole, due regard shall be paid to safety, security, local and international regulations, applicable IATA and/or ICAO and/or other governing rules, regulations and procedures in such a manner that delays and damage to the Carrier's Aircraft and load are avoided and the general public is given the best impression of air transport.

17.9 The Handling Company must report to the Carrier's representative immediately all loss of or damage, threatened or actual, to aircraft and loads noticed in the course of the handling or which in any other way comes to the knowledge of the Handling Company.

17.10 The Parties shall reach mutual agreement on the quality standards for any services, not excluding those covered by Sub-Article 15.1 above. Such quality standards for a specific location may form part of the applicable Annex 8. The Handling Company agrees to take all reasonably possible steps to ensure that, with regard to contracted services, the agreed upon quality standards will be met.

17.11 The Carrier may at its own cost, by prior written notice, audit the designated services in the applicable Annexure. Such notice shall contain a description of the area(s) to be audited. The Handling Company shall cooperate with the Carrier and will undertake any corrective action(s) required.

17.12 In provision of the Services, the Parties agree to comply with any applicable data protection laws.

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17.13 The Handling Company shall be able to demonstrate a Safety Management System in use following IATA AHM610 and/or ICAO, local and international regulations, or other governing rules.

17.14 The Handling Company shall promote awareness and strive to achieve best practices in Environmental and Social Responsibility.

18. PERFORMANCE MEASUREMENT

18.1 Performance shall be measured by way of specific measurements, Carrier feedback and random sampling.

18.2 The Parties shall conduct annual reviews, to assess the performance of the Service Provider and renewal of the Agreement shall be subject to the outcome of such performance review(s).

19. PENALTIES

In the event of the Carrier experiencing delays which are wholly and solely attributable to the Handling Company, the Carrier shall be entitled to compensation in the form penalties set out in Table 1 below on the following conditions:

19.1 Penalties shall not apply when the aircraft is operating 25 or more minutes off Schedule.

19.2 Penalties shall apply when the delay is wholly and solely attributable to the Handling Company.

19.3 The Carrier shall give written notice to the Handling Company of its intention to exercise its rights in terms of this clause 19 within 48 hours of the incident and shall indicate the applicable penalty. The Handling Company shall raise a credit note on receipt and agreement to the said notice.

19.4 The delay penalties shall be set off from the Handling Company's monthly payment.

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19.5 Penalties (as per the table below) to be applied per incident.

Table 1

<u>Delay (Minutes)</u>	<u>Applicable Penalties</u>
11-20	20% of handling fee
21-30	30% of handling fee
31-40	40% of handling fee
41>	100% of handling fee

20 REMUNERATION

20.1 In consideration of the management Company providing the services, the North West Provincial Government agrees to pay to the Management Company the charges set out in the relevant Annex B hereto, including any additional expenditure incurred for providing the services referred to in this Agreement.

21 ACCOUNTING AND SETTLEMENT

21.1 The Handling Company shall invoice the Carrier monthly with the charges arising from the provision of the handling services listed in the relevant Annexure at the rates of charges set out therein or provided by the Handling Company to the Carrier in terms of this Agreement.

21.2 When invoicing the Carrier for services rendered in terms of this Agreement the Handling Company shall furnish the Carrier, where applicable, with supporting documentation duly signed by the Carrier's representative.

21.3 The Handling Company shall submit an Invoice to the Carrier monthly and the Carrier shall make payment within thirty (30) days from date of receipt of Invoice.

21.4 If the Carrier disagrees with any item(s) in the Invoice submitted by the Handling Company, it may withhold payment only on that item(s) and shall

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effect payment on the remainder of the invoice, pending resolution of the disputed item. The Carrier shall communicate to the Handling Company its reason for withholding payment on an invoice item(s). The deadline for payment for any disputed item(s) will be deemed extended until fifteen (15) days after the resolution of such dispute. Both parties shall use best endeavours and utmost good faith to resolve such within thirty (30) days from date of short payment falling which the Handling Company may invoke the settlement of disputes process (Article 32 hereof).

22 LIABILITY AND INDEMNITY

22.1 All references in this clause referring to:

22.1.1 "the Carrier" or "the Handling Company" shall include their directors, employees, servants, agents and subcontractors;

22.1.2 "ground support equipment" shall mean all equipment used in the performance of ground handling services included in the relevant Annex hereto, whether fixed or mobile, and

22.1.3 "act or omission" shall exclude gross negligence and/or willful misconduct.

22.2 Save where provided otherwise, the Carrier shall not make any claim against the Handling Company and shall indemnify it (subject as hereinafter provided) against any legal liability for claims or suits, including costs and expenses incidental thereto, in respect of:

22.2.1 delay, injury or death of persons carried or to be carried by the Carrier;

22.2.2 injury or death of any employee of the Carrier;

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22.2.3 damage to or delay or loss of baggage, cargo or mail carried or to be carried by the Carrier, and

22.2.4 damage to or loss of property owned or operated by, or on behalf of, the Carrier and any consequential loss or damage;

arising from an act or omission of the Handling Company in the performance of this Agreement unless done with intent to cause damage, death, delay, injury or loss or recklessly and with the knowledge that damage, death, delay, injury or loss would probably result.

- > **PROVIDED THAT** all claims or suits arising hereunder shall be dealt with by the Carrier; and
- > **PROVIDED ALSO THAT** the Handling Company shall notify the Carrier of any claims or suits without undue delay and shall furnish such assistance as the Carrier may reasonably require.

22.3 The Carrier shall not make any claim against the Handling Company in respect of damage, death, delay, injury or loss to third parties caused by the operation of the Carrier's aircraft arising from an act or omission of the Handling Company in the performance of this Agreement unless done with intent to cause damage, death, delay, injury or loss or recklessly and with knowledge that damage, death, delay, injury or loss would probably result.

22.4 Notwithstanding the provisions of sub-clause 22.1, in the case of claims arising out of surface transportation which is provided on behalf of the Carrier and is part of the operation of loading/embarking or unloading/disembarking and/or is covered by the Carrier's Contract of Carriage the indemnity shall not exceed the limits specified in the said Contract of Carriage.

22.5 In the case of claims arising out of surface transportation which is not provided on behalf of the Carrier and/or is not part of the operation of loading/embarking or unloading/disembarking and/or is not covered by the

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Carrier's Contract of Carriage the waiver and indemnity herein contained shall not apply.

22.6 The Handling Company shall not make any claim against the Carrier and shall indemnify it (subject as hereinafter provided) against any legal liability for claims or suits, including costs and expenses incidental thereto, in respect of:

22.6.1 injury to or death of any employees of the Handling Company, its servants, agents or subcontractors; and

22.6.2 damage to or loss of property owned or operated by, or on behalf of, the Handling Company and any consequential loss or damage;

arising from an act or omission of the Carrier in the performance of this Agreement unless done with intent to cause damage, death, delay, injury or loss or recklessly and with knowledge that damage, death, delay, injury or loss would probably result.

22.7 Notwithstanding the provisions of clause 22.2.4 above, the Handling Company shall indemnify the Carrier against any physical loss of or damage to the Carrier's Aircraft caused by the Handling Company's negligent act or omission:

➤ **PROVIDED ALWAYS THAT** the Handling Company's liability shall be limited to any such loss of or damage to the Carrier's Aircraft in an amount not exceeding the level of deductible under the Carrier's Hull All Risk Policy which shall not, in any event, exceed USD 1,500,000.

22.8 For the avoidance of doubt, save as expressly stated, sub-clause 22.7 does not affect or prejudice the generality of the provisions of Sub-Article 22.2 including the principle that the Carrier shall not make any claim against the Handling Company and shall indemnify it against any liability in respect of any and all consequential loss or damage, save where same is a result of the Handling Company's gross negligence and/or wilful conduct.

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22.9 Furthermore, notwithstanding sub-clause 22.2.3, the Handling Company shall indemnify the Carrier against direct loss of or damage to the Carrier's cargo (excluding Mail) caused by the negligent act or omission by or on behalf of the Handling Company in the provision of the services and/or the supply of goods under this Agreement provided always that the Handling Company's liability shall be limited to as set out in article 22.3 of the Montreal Convention 1999 or any amendment to that Convention in force at the time of the loss or damage or to the actual compensation paid out by the Carrier, whichever is less. In any event, the total amount of a claim in terms of sub-clause 22.9 shall not exceed USD 1,000,000.

22.10 Any claim shall be submitted within the time limits set out in article 31.2 of the Montreal Convention 1999. For the avoidance of doubt, the liability of the Handling Company shall never exceed the liability of the Carrier.

23 CHARGES

23.1 The charges for the services shall be as set out in the Appendices and are based on the Carrier's existing schedule. Charges for other services not covered in the applicable Annexure will be agreed upon on an ad hoc basis.

23.2 All charges set out in this Agreement shall be adjusted annually based on the applicable South African Consumer Price Index (CPI) rate, as per www.statssa.gov.za, comprised of the average of the previous twelve (12) months CPI rate. The adjustment shall be effective on the annual anniversary date of this Agreement.

24 DURATION

24.1 Notwithstanding the date of signature, this Agreement shall commence on 15 April 2017 and shall remain in operation for five (3) years subject to the continued existence of the agreement between the Carrier and the North West Province, which if terminated, will result in the immediate termination

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of this agreement or unless terminated in accordance with the provisions of this Agreement or otherwise in accordance with the law.

24.2 This Agreement may be extended by written agreement of both Parties.

25 TERMINATION

25.1 The Carrier & the North West Provincial Government may terminate the agreement should the Handling Company not perform services to the agreed standards specified in the Service Level Agreement. The Handling Company will be granted 30 (thirty) days from date of written notification of the service level deviation to rectify it. Should the service level not be adequately improved within this period the Carrier may terminate the Agreement by giving one (1) calendar month written notice to that effect.

25.2 Termination by the Handling Company of all or any part of the services to be furnished requires 60 (sixty) days prior notice to the Carrier. In the event of part termination of services, consideration shall be given to an adjustment of charges.

26 APPLICABLE LAW

This Agreement shall be governed and construed in accordance with the laws of the Republic of South Africa.

27 ENTIRE AGREEMENT

This Agreement shall supersede any previous arrangements between the Parties governing the provision of services at locations referred in the relevant Appendices hereto. This Agreement contains all the express provisions agreed on by the parties with regard to the subject matter of the Agreement and the parties waive the right to rely on any alleged express provision not contained in this Agreement.

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28 NO REPRESENTATIONS

Neither party may rely on any representation, which allegedly induced that party to enter into this Agreement, unless the representation is recorded in this Agreement.

29 VARIATION, CANCELLATION AND WAIVER

No contract varying, adding to, deleting from or cancelling this Agreement, and no waiver of any right under this Agreement, shall be effective unless reduced to writing and signed by or on behalf of both parties.

30 INDULGENCES

30.1 If either party at any time breaches any of that party's obligations under this Agreement, the other party ("the aggrieved party") may at any time after that breach, exercise any right that became exercisable directly or indirectly as a result of the breach, unless the aggrieved party has expressly elected in writing or by clear and unambiguous conduct, amounting to more than mere delay, not to exercise the right; and shall not be stopped (i.e. precluded) from exercising its rights arising out of that breach, despite the fact that the aggrieved party may have elected or agreed on one or more previous occasions not to exercise the rights arising out of any similar breach or breaches.

30.2 If the aggrieved party is willing to relinquish that right, the aggrieved party will on request do so in writing.

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31 CESSION

Neither party may cede that party's rights or delegate that party's obligations without the prior written consent of the other party, which consent shall not be unreasonably withheld.

32 SETTLEMENT OF DISPUTES

32.1 It is recorded that a good relationship between the Parties is essential for the optimal achievement of the objectives of the Agreement and therefore the Parties agree and commit themselves to use best endeavours at all times to achieve speedy resolution of any matter or dispute arising in regard to implementation of this Agreement through engagement with each other.

32.2 Should any difference or dispute at any time arise between the Parties, the duly authorised Senior Officials of each Party shall meet within fourteen (14) days, or such period as the Parties may agree, from the date on which the dispute arose to resolve the dispute amicably.

32.3 Should the dispute not be resolved at such meeting, or extended meeting as the Parties may agree to in writing, then either of the Parties shall be entitled to refer the dispute to the Arbitration Foundation of Southern Africa (AFSA) to be determined by arbitration in terms of Arbitration Act 42 of 1965 as amended, such arbitration shall be held in Johannesburg.

32.3 The above provision shall however not preclude either Party approaching the High Court for urgent interim relief.

33 SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law but if any provision of this Agreement shall be unenforceable or invalid under the applicable law, such

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Invalidity or unenforceability shall not affect the other provisions of this Agreement, all of which shall remain in full force and effect.

34 CONFIDENTIALITY

Neither party shall under any circumstances divulge any information acquired as a result of this Agreement to a third party without the prior written consent of the other party to this Agreement. This provision will survive the expiry or early termination of this Agreement.

35 DOMICILIA CITANDI ET EXECUTANDI

The parties choose as their domicilium citandi et executandi for all purposes under this Agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature (including the exercise of any option), the following addresses:

SOUTH AFRICAN EXPRESS AIRWAYS:

Physical Address:

2nd Floor, Block E Offices

Airways Park, 1 Jones Road

OR Tambo International Airport

Postal Address: P. O. Box 101

O.R. Tambo International Airport

1627

Pilanesburg Airport Management Company

Physical Address: 21 Main Street, Noordhoek Building

Mahikeng

North West Province

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Postal Address:

36 FORCE MAJEURE

36.1 Notwithstanding any contrary provisions of this Agreement, no failure or omission by either party to carry out or observe any of the terms and conditions of this Agreement shall give rise to any claim by the other of them or any other party, or be deemed to be a breach of this Agreement, if same is caused by or arises as a result of force majeure, act of God, vis major or any act or direction of or limitation imposed by any governmental or statutory body, or war, strikes, civil commotion, riots, labour unrest, consumer boycotts, or any cause reasonably beyond the control of the party thus prevented from performing its obligations, provided, however, such party:

36.1.1 engages all its reasonable efforts to the extent reasonably possible to avoid and/or remedy such situation;

36.1.2 gives the other of them written notice of such situation as soon as possible after it becomes aware of the fact that such situation may arise or has arisen.

36.2 In the event of any cause reasonably beyond the control of the Carrier or Handling Company arising and preventing them or any one of them from carrying out their obligations in terms of this Agreement, such performance of obligations shall be suspended during such period of inability by either of them to perform its obligations under this Agreement, provided, however, that nothing herein contained shall extinguish, delay, or suspend the obligations of such party to liquidate all its outstanding liabilities under this Agreement which accrued or became due before the period of suspension, or which it is not prevented from discharging by the circumstances giving rise to the suspension. For the avoidance of doubt, lack of funds shall not constitute force majeure.

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36.3 During any suspension contemplated in 36.2, the party affected by such suspension shall be entitled to obtain the services and/or facilities of which it is deprived as a result of such suspension from any other person.

37 DEFAULT AND TERMINATION

37.1 An event of default shall occur if:

37.1.1 Any party fails to pay any undisputed amount that is due to another party in terms of this Agreement, and does not remedy such failure within 14 (fourteen) working days of receipt of written notice from such other party calling upon it to do so; or

37.1.2 Any party defaults in the performance of any other material provision of this Agreement, and such default continues for a period of 14 (fourteen) days (or such longer period as may reasonably be required to remedy such default) after receipt of notice from any other party calling upon it to remedy such default; or

37.1.3 Any party makes any general assignment for the benefit of its creditors or compromises with its creditors generally; or

37.1.4 Any party is placed under provisional or final liquidation or provisional or final judicial management; or

37.1.5 The license of either party to conduct its business is suspended or revoked.

37.2 Upon the happening of an event of default, the non-defaulting party may by written notice to the defaulting party either demand specific performance from the party in default, or cancel this Agreement, without prejudice to the non-defaulting party's right to claim damages from the party in default.

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38 LEGAL COSTS

Each party shall bear that party's own legal costs of and incidental to the negotiation, preparation, settling, signing and implementation of this Agreement.

SIGNED at Pretoria on this 28 day of March 2017 in the presence of the undersigned witness.

AS WITNESS:

WITNESS 1. [Signature]
(WARRANTING HIS AUTHORITY TO SIGN)
For: **SOUTH AFRICAN EXPRESS AIRWAYS SOC LIMITED**

WITNESS 2. [Signature]
Name: **Inati Mtshanga**
Designation: **Chief Executive Officer**

SIGNED at MAHLKENG on this 29 day of MARCH 2017 in the presence of the undersigned witness.

AS WITNESS:

WITNESS 1. [Signature]
(WARRANTING HIS/HER AUTHORITY TO SIGN)
For: **Halcyon (Pty) Ltd T/A
Pplanesburg Airport Management
Company**

WITNESS 2. [Signature]
Name: **NOTHANDO DUBE**
Designation: **Director**

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ANNEXURE 2 OF ANNEX B

**GROUND HANDLING & FACILITIES MANAGEMENT SERVICE LEVEL
AGREEMENT**

between

Halcyon (Pty) Ltd
T/A Pilanesburg Airport Management Company
Registration Number: 2011/115752/07
(hereinafter referred to as "the Handling Company")

and

SOUTH AFRICAN EXPRESS AIRWAYS (SOC) LTD
Registration Number: 1990/007412/30
(hereinafter referred to as "the Carrier")

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knowledge to perform their duties, execute the prescribed procedures and remain current.

9. OBSERVATION OF SAFETY

- 9.1 At all times the service delivery standards shall not compromise established international safety procedures.

10. PERFORMANCE MEASUREMENT

- 10.1 Performance will be measured by way of specific measurements, Carrier feedback and random sampling

HEADING	SERVICE	S/R*	TARGET
GENERAL	Liaise with local Authorities	S	100%
	Indicating that Handling Company is acting as Handling Agent for the Carrier	S	Clear Markings
	Inform Interested parties concerning movements of Carrier's aircraft in accordance with the posting on FID boards etc	S	No delays Always Available
	On-time performance relating to activities controlled by the Service Provider. The said activities are identified by the delay codes set out (AHM 011)	S	99% Not more than 1% of the Carrier's delays will be attributed to the Handling Company
Passenger Handling		R	100%

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	Provide assistance to disabled and other passengers requiring assistance. Dealings with passengers will always be courteous, friendly and helpful. The requested service should be provided in less than 5 minutes of receipt of the request.		
Baggage Handling	Communication of Offloading of no-show passengers' baggage at least fifteen (15) minutes (Domestic) and twenty (20) minutes (Regional) prior to STD.	S	100%
Incident Reporting	Immediately upon occurrence.	S	100%

HEADING	SERVICE	S/R*	TARGET
IROPS Management	Manage irregular operations at all stations	S	100%
Operations Management	<ul style="list-style-type: none"> - Airport Facilities Management - Airport Operations Management - Operations Staffing - Route Marketing - Strategic Partnerships 	S	100%
Adhoc Services	<ul style="list-style-type: none"> - Adhoc additional Services for 3rd party (NWPG) <ul style="list-style-type: none"> • Security Service • Fuel Contracting/ Management 	R	100%

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	<ul style="list-style-type: none"> • Fire Truck lease • Adhoc operational services 		
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* S = Standard Service R= On Request



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TIME: 20:23:08
PAGE 28

NW: COMM SAFETY & TRANSPORT MAN
PAYMENT STUB

CONTACT PERSON : MOOKI TUNG
INSTALLATION DESCRIPTION: NW: COMM SAFETY & TRANSPORT MAN
LOCATION DESCRIPTION : NW: COMM SAFETY & TRANSPORT MAN

CONTACT TEL NO : 0182008184
DISBURSEMENT NO: 001101406
ACTION DATE : 30/06/2017

PAYEE NAME : PTILANESBERG AIRPORT MANAGEMENT C
PAYMENT ADDRESS: P.O.BOX 4587, MMABATHO,
34 INPALA STR, GOLDFVIEW, NAFIKEN

BANK NAME : FIRST NATIONAL BANK
BANK BRANCH : NAFIKENG 291
ACCOUNT TYPE: CURRENT
ACCOUNT NO : 62689952317

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SOURCE DOC NUMBER	PURCHASE ORDER NUMBER	PAYMENT NUMBER	FUNCTIONAL AREA	USER	AMOUNT
051	05E017159P	002402460	AP	APWLKR	15,550,000.00
				TOTAL	15,550,000.00

PAYMENT WAS RE-ROUTED TO A CREDIT TRANSFER. NEW ACTION DATE: 30/06/2017. DISBURSEMENT NUMBER: 1101406.

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**IN THE JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE
CAPTURE, CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS
OF STATE**

AFFIDAVIT

I, the undersigned,

BOTLHALE MOFOKENG

state as follows:

- 1 I have been requested by the Commission of Inquiry into State Capture, Corruption and Fraud in the Public Sector, including Organs of State to assist it in its inquiry.
- 2 The facts to which I depose are true and correct and are within my personal knowledge except where it is apparent from the context that they are not.
- 3 I currently hold the position of Head of Department ("HOD") for Community Safety and Transport in the North West Province ("Department"). I have held this position since 17 April 2017.

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4 Before, I joined the Department I was Chief Directorat the Department of Local Government and Human Settlements. I held this position in an acting capacity from December 2015 and I was confirmed in May 2016.

5 The following people are my predecessors in the position I currently hold;

5.1 Mr. Bailey Mahlakoleng (Mahlakoleng) 2013 – 14 March 2016

5.2 Ms. SizileMpolokeng (Mpolokeng) 15 March 2016 – 31 March 2016

5.3 Mr. OagengMosiane (Mosiane) 1April 2016 – 21 August 2016

5.4 MrButiChuma (Chuma) 22August 2016 – 31March 2017

6 I currently report to the MEC of Community Safety and Transport,Honourable Mr. Johannes SelloLehare ("Lehare").

DUTIES OF HOD

7 As HOD my functions include but not limited to the following:

7.1 Law Enforcement Branch and Transport Operations, which include Aviation matters;

7.2 HOD responsibilities as outlined in the Public Finance Management Act (PFMA);

7.3 HOD responsibilities prescribed by the Department of Public Service and Administration (DPSA);

7.4 Corporate Services Responsibilities;

7.5 Deal with oversight of various units within the Department; and

7.6 Finally, as HOD, my office is responsible to assist the Office of the MEC to present reports to EXCO on the various programs we run as a Department. We are required to show what programs we have started, to action the pronouncement of State of the Province Address (SOPA), including the

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legislated mandate of the Department to EXCO, Portfolio Committee and Legislature.

THE CONTRACT BETWEEN SA EXPRESS AND THE DEPARTMENT

- 8 I first became aware of the contract between SA Express and the Department shortly after my appointment as the HOD.
- 9 Upon my appointment as HOD, one of the things I did was to review most of the major contracts that the Department had entered into. Amongst these contracts was the one we had with SA Express.
- 10 The contract between SA Express and the Department had been entered into and concluded in 2015, during the time that Mr Mahlakoleng was HOD. Upon receipt of the invoice, I requested a meeting with CFO (Ms Kutlwano Phatudi), Chief Director Transport Operations (Ms Dasey Dayle), Director Transport Planning and Policy (Mr Olebogeng Baikgaki), and Director: Legal Services (Mr Paul Namate), to explain the invoice and the contract and I was advised that it was concluded after the involvement of the Executive Council of the North West Government. However, I was later showed the resolution of the Executive Council that confirms this assertion.
- 11 The Department had established control systems in place which included a fully-fledged Budget Unit, Internal Control Unit and Supply Chain Management, etc. The information provided to me at the point of the approval of the payment convinced me to approve the payment. I however later got to understand that the Internal SCM resources were not utilized in order to follow the correct procurement process and ensure that the Department complies with the provision of the PFMA. There was no evidence of any procurement process followed by the Department in contracting SA Express.

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- 12 The gist of the contract was that, the Department would pay SA Express an upfront annual subsidy to operate flights to the Mafikeng and Pilanesberg Airports. SA Express would then be responsible for appointing Management Companies who would do the Ground Handling Services at each of the airports. The Ground Handling Companies would be contracted by SA Express and not the Department (Ann: BM1).
- 13 Even though the Ground Handling Companies were appointed by SA Express and not the Department, according to the signed SLA, the Department would be responsible to make upfront, annual subsidies to these Management Companies for work that would be done at the Airports. The Airline Service was a crucial service to the people of North West which was rendered by SA Express through the Department. The idea of providing an Airline Service was a noble one. In my tenure within the Department, this is the only concluded contract that I found which was structured with an upfront payment provision.
- 14 As HOD, this subsidy payment to SA Express and the Ground Handling Companies was one of the first payments I made in the first quarter between April and June 2017. Payment was made to Mafikeng Airport Management Company (Pty) Ltd ("MAMCO"), Halycgen (Pty) Ltd, Pilanesburg Airport Management Company ("PAMCO") and SA Express (Ann: BM2 and BM3).
- 15 As the HOD it was my duty to authorize payment. At the time, I had no reason not to pay the subsidy.
- 16 When I approved to the processing of these payments, I was not very versed on the details of the contract and what services the various companies were providing to the Department. I relied on the information I requested in the meeting mentioned in paragraph 10 who informed me that this subsidy payment was for a signed contract between the Department and SA Express, relating to operations at the Mafikeng and Pilanesburg airports, as resolved by Executive Council.

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17 Prior to making payment of these subsidies, I relied on the information I requested from the officials in the meeting mentioned in paragraph 10, who provided me with a high level explanation of what program these payments related to.

18 Subsequent to the payment, I sought more information so as to get a better understanding on the details and the nature of the contract. It is at this point that I called Ms Dayle, the Chief Director of Transport Operations whose office was in charge of the SA Express program, and Mr. Olebogeng Baikagaki who was the Director for Transport Planning, to get further understanding on the SA Express contract. It was my duty as the HOD of the Department to have an understanding of what was the Department paying for and I was authorising, the interest was not only limited to this contract. The reason why I could not do this before the subsidy payment was because these were not new contracts, I was continuing from where my predecessor left off.

19 I went through the SA Express, MAMCO, and PAMCO contracts.

20 I started to examine the Service Level Agreement (SLA) with SA Express. I wanted to understand the basis of the SLA, the service was being provided and more importantly, I wanted to know what it was that we were paying for. I didn't know any other SLA other than the one that was in place at the time I joined the Department.

21 Another reason I started taking a keen interest on this particular contract was that the Auditor-General (AG) started asking serious questions about this contract in the 2016/2017 financial year audit. Then the AG was interested in the performance reports due to the department based on the payment made in the prior financial years. Then in the 2017/2018 financial year audit the AG was very interested on the SCM mechanism surrounding the contract. The normal AG questions were around the SCM processes followed in the conclusion of the contract.

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22 The AG office poised questions of the entire supply chain management process, and wanted to establish how the Department landed with the SA Express contract. My interaction with them gave me an impression that they had more information on the background of the contract than I did.

23 I then requested my staff to pull up all records and documentation relating to the SA Express contract with the Department.

24 From reading of the various agreements, I noted that MAMCO, PAMCO, Koreneka Trading and Projects CC ("Koreneka") and Valotech (Pty) Ltd ("Valotech") were contracted by SA Express for Ground Handling Services at the Mafikeng and Pilanesberg Airports during different periods.

25 At the time of my arrival, MAMCO and PAMCO were the two companies doing Ground Handling Services at the two airports.

26 Once I got a better understanding of the arrangement, I started having numerous meetings with the various stakeholders;

- 26.1 SAX- Acting CEO, Victor Xaba and subsequently, Acting CEO M. Makholo;
- 26.2 SAX Management;
- 26.3 National Treasury, Mr. Lakes Matolong.
- 26.4 Mafikeng Airport Management Company – MAMCO; and
- 26.5 Pilanesburg Airport Management Company – PAMCO.

27 On the 6th of October 2017, as the Department we met with SAX Management which included the Acting CEO at the time, Mr. Victor Xaba. The purpose of this meeting was

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to follow-up on how much progress we had made in dealing with the resolutions that were adopted in the last meeting we had. This was our second meeting with SAX management, I cannot recall when our first meeting was (Ann: BM4).

28 The major point of discussions was that the two parties had to consider reviewing the SLA, particularly the issue of payments of the subsidy in advance. As the Department, we wanted to discuss if the clause relating to how the subsidy was paid could be revised from being paid in advance, to payments being made quarterly or bi-annually. The reason for this was because we wanted to ensure that the Department was receiving value for money out of this contract, and that the provision of the terms of reference of the contract were being adhered to.

29 The meeting discussed how it could monitor whether contractual obligations were being performed by all parties.

30 From my understanding, the value for money didn't just come from operating flights to the two airports but also came from marketing, Ground-Handling Services and Airport Maintenance that was to be provided by the Ground Handling Companies appointed by SA Express. We also expressed to SA Express that we had an expectation that they should be providing us with Detailed Quarterly Reports of the work they were doing at on the ground. Reports they had not provided us over the last three (3) years. A performance report was part of the contract.

31 After the Department had put serious pressure on SA Express they eventually provided us with these reports however, they had some serious gaps. During the Department's Audit, the AG also raised serious issues on the quality of the reports. The reports were not detailed enough in a sense that they had to report in detail the number of passengers that were flying in and out of North-West, the type of aircraft that SAX was utilizing, all the scheduled flights were honored, were on time and whether there were any delays in

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the flights. This was a technical report that SAX were meant to produce and give to the Department.

32 The meeting also discussed the appointment and terminations of the Management Companies that were doing Ground-Handling Services at both the Mafikeng and Pilanesberg Airports.

33 According to SA Express Management, (In terms of Para 6.1.1.3 of the minutes of the 6th of October 2017) they stated that they were unaware of the Appointment of Valotech and the termination of the Koreneka contract. Whereas, we as the Department had a letter coming from SA Express confirming the appointment of Valotech and subsequent appointment of PAMCO.

34 In this meeting we also spoke about the addendum we had sent to SA Express making changes to the current SLA. When we asked SA Express to comment about the addendum we sent them, they told us that they could not comment on the documents as they had not received it.

35 We further discussed the process that was followed in appointing the various Management Companies. It was resolved that an investigation team would be put together to assess this matter and they would report back to us once their assessment was done. This discussion is captured in paragraph 6.1.1.7 of the 6th October 2017 minutes. I do not have any report of any investigation since Mr Xaba, the person I was dealing with from SA Express shortly left the organization.

36 The meeting also discussed that more investment was needed on route marketing because SA Express was looking at expanding the routes to include other cities and maybe regional routes. There was a consensus that the current marketing done at the two Airports was non-existent and that more needed to be done.

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37 I personally was not convinced that the Marketing Subsidy was being spent accordingly.

There was zero route marketing done on Mafikeng and Pilanesburg routes on any of the SA Express platforms, one would have expected.

38 Other issues that I raised during the meeting with SA Express Management was that, SA Express was contracted to provide services to the two Airports using the CRJ200 aircrafts, which had a capacity of approximately 50 passengers, however, during their time operating the airports, they were using a 30 passenger seater aircraft, which was smaller than the CRJ200.

39 I raised this issue because the subsidy structure was based on a CRJ200 being used to transport passengers. As a result of SA Express using a smaller aircraft, the SA Express was in breach of the SLA.

40 After having the discussion around the issue of SA Express not using the CRJ200 as prescribed in the SLA, the meeting resolved that SA Express would have to submit a presentation to the Provincial EXCO accompanied by a route assessment justifying their use of smaller aircrafts.

41 The point of the presentation was to sensitize EXCO of the fact that SA Express were using a smaller aircraft and EXCO would need to deliberate if the subsidy paid to SA Express would need to be revised in light of this new information.

42 Post the 6th of October 2017 meeting, SA Express never made this presentation to EXCO mainly because there was a lot of changes at SA Express executive level.

43 It is through these engagements that I got further clarity on what expectations we had for the contract, what services had been provided and what was outstanding.

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- 44 After my meetings with the SA Express Executives, I continued to meet with other stakeholders involved in this project. This included PAMCO and MAMCO management.
- 45 It is through these meetings that I met the CEO of MAMCO Mr. Tshepiso Letsela ("Letsela") and the CEO of PAMCO Ms. Nothando Dube ("Ms. Dube").
- 46 As we were not making much headway with SA Express with regards to getting the necessary reports, during one of the meet and greet sessions with the Management Companies, I informally requested that they provide me with reports of the work they had done at the two airports as well as the detailed report on the Marketing they had done.
- 47 Liaising with MAMCO and PAMCO was not difficult even though these management companies did not have a contractual obligation with the Department but with SA Express. They were co-operative.
- 48 When the time to pay the 2018 subsidy came, the Department had not been furnished with the information that I had requested from SA Express. I therefore, decided I would not approve the subsidy payment for that year.
- 49 These documents included the Annual Performance Reports from SA Express, responses on the SLA reviews we had already started, EXCO submission and the progress of the resolutions of the minutes of the 6th of October 2017, amongst others, the confirmation on how the various Management Companies were appointed.
- 50 There were letters sent to SA Express by the Department. SA Express did not respond to these letters. I have requested that we meet so that we could deal with the outstanding issues before the payment of the 2018/2019 subsidy could be paid.

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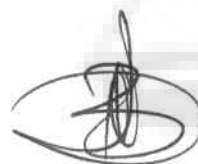
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51 MAMCO provided the Department with a report for the period (2018/19) on the 4th April 2018 that they provided ground handling services and marketing. The report was very detailed however it had certain gaps i.e., cost breakdown on how they spent the subsidy they received from the Department (Ann: BM5).

52 PAMCO, on the other hand, provided us with a limited report which did not give the Department much detail on the work they were doing at the airport. This report did not include a cost breakdown on how they spent the subsidy received by the Department nor did the report provide the operational issues such as passengers coming in and out of Pilanesberg and also what type of marketing they had done to promote the Pilanesberg airport. Of the two airports, Pilanesberg is the busier airports as most tourist land at Pilanesberg therefore it is expected of their report to be more detailed (Ann: BM6).

53 On 24May 2018, the SA Express aircrafts were grounded and operations ceased in the two airports. The contract with SA Express was subsequently terminated in July 2018.

54 The Department received invoices from SAX, MAMCO and PAMCO for the 2018/2019 subsidy but the Department did not pay anything in 2018. Until this day, the Department has not paid these entities any amounts (Ann: BM7).



DEPONENT

I hereby certify that the deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn to before me, Commissioner of Oaths, at Braamfontein on this the 20th day of June, 2019 the regulations contained in Government Notice No R1258 of 21 July 1972, as amended, and Government Notice No R1648 of 19 August 1977, as amended, having been complied with.



COMMISSIONER OF OATHS

FULL NAMES:

ADDRESS:

EX OFFICIO:

Akhona Lucas Nobetsu
Commissioner of Oaths Ex Officio
Practising Attorney - Legal Aid South Africa
3rd Floor, Legal Aid House
29 De Beer Street,
Braamfontein, Johannesburg

Bd.

BM 1



BMI



sa express
we fly for you

AGREEMENT

Entered into by and between

DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT
(HEREINAFTER REFERRED TO AS 'THE DEPARTMENT')

(Duly represented by Thabang Bailey Mahlakoleng in his capacity as the Head of Department)

and

SOUTH AFRICAN EXPRESS AIRWAYS SOC LIMITED

(HEREINAFTER REFERRED TO AS 'SA EXPRESS')

(Duly represented by Inati Ntshanga in his capacity as Chief Executive Officer)

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ANNEXES

ANNEXE "A" : SUBSIDY STRUCTURE

ANNEXE "B" : FLIGHT SCHEDULE

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On 10/5/14

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1 INTERPRETATION

1.1 In this Agreement -

1.1.1 clause headings are for convenience only and are not to be used in its interpretation;

1.1.2 an expression which denotes -

1.1.2.1 any gender includes the other genders;

1.1.2.2 a natural person includes a juristic person and vice versa, and where the context so requires, it shall include the State, Local Authority or other governmental institution inclusive of the Minister of the State and a division of any Ministerial Department; and

1.1.2.3 the singular includes the plural and vice versa.

1.2 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings -

1.2.1 "Agreement" means this agreement;

1.2.2 "Airline" means SA Express;

1.2.3 "Airline Service" means the transportation of goods and/or persons on aircraft on the Designated Route by SA Express;

1.2.4 "Apron" means the area on Mafikeng and Pilanesburg Airports intended to accommodate aircraft for the purposes of loading and unloading passengers, cargo, parking or preparation for flight;

1.2.5 "ATNS" means Air Traffic and Navigational Services Limited, established in terms of Section 2 of the Air Traffic and Navigation

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Service Company Act, Act 45 of 1993;

- 1.2.6 **"Bridging Training"** means any and all training required for the individual cadet pilot to attain the required standard for type conversion training;
- 1.2.7 **"Cadet Pilot(s)"** means a pilot holding a commercial pilot's licence (CPL) with less than 1000 hours total flying time, who undertakes a specific training programme within the Airline in order to bridge the lower level of experience;
- 1.2.8 **"Cape Town International Airport"** means Cape Town International Airport situated in Cape Town, Western Cape, South Africa;
- 1.2.9 **"Department of Community Safety and Transport Management"** means the Department of Community Safety and Transport Management represented by Thabang Bailey Mahlakoleng, he being duly authorised thereto;
- 1.2.10 **"Designated Route"** means the route between Oliver Tambo International Airport, Cape Town International Airport, Pilanesburg Airport, Mafikeng Airport;
- 1.2.11 **"Effective Date"** means the 27th March 2015 for the OR Tambo International Airport, Cape Town International Airport and Pilanesburg Airport route, and the 1st May 2015 for the OR Tambo International Airport and Mafikeng Airport route;
- 1.2.12 **"First Officer"** means a person holding a commercial pilot license with an aircraft type endorsement to operate in the right hand seat of the flight deck of the Airline;
- 1.2.13 **"Ground Handling Services"** means the standard ground handling

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services as more fully provided for in terms of the IATA Standard Ground Handling Agreement;

- 1.2.14 "IATA" means the International Air Transport Association;
- 1.2.15 "ICAO" means the International Civil Aviation Organization;
- 1.2.16 "O.R Tambo International Airport" means O.R Tambo International Airport situated in Gauteng the Republic of South Africa;
- 1.2.17 "Mafikeng Airport" means Mafikeng Airport situated at Mahikeng, North West Province;
- 1.2.18 "Parties" means the Department and SA Express collectively and "Party" shall refer to either of them;
- 1.2.18 "Pilanesburg Airport" means Pilanesburg Airport situated in Rustenburg, North West Province, South Africa;
- 1.2.20 "SAA" means South African Airways SOC Limited Registration Number 1979/022444/30, a state-owned company duly registered in terms of the laws of the Republic of South Africa;
- 1.2.21 "SACAA" means the South African Civil Aviation Authority established in terms of the provisions of Section 2 of the South African Civil Aviation Authority Act, Act 40 of 1998;
- 1.2.22 "SA Express" means South African Express Airways SOC Limited, registration number 1990/007412/30, a state-owned company duly registered in terms of the laws of the Republic of South Africa;
- 1.2.23 "Signature Date" means the date of signature of this agreement by the Party last signing;
- 1.2.24 "Type Conversion Training" means the training required, inclusive of

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simulator training, in order for the cadet pilot to qualify as a type rated first officer at SA Express;

1.2.25 "VAT" means Value-Added Tax as levied from time to time in terms of the Value-Added Tax Act, 1991.

1.3 Any substantive provision, conferring rights or imposing obligations on a Party and appearing in any of the definitions in this clause 1 or elsewhere in this Agreement, shall be given effect to as if it were a substantive provision in the body of the Agreement.

1.4 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Agreement.

1.5 Subject to clauses 1.7 and 1.14, defined terms appearing in this Agreement in the title cases shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.

1.6 A reference to any statutory enactment shall be construed as a reference to that enactment as at the Signature Date and as amended or substituted from time to time.

1.7 Reference to "days" shall be construed as calendar days unless qualified by the word "business", in which instance a "business day" shall be any day other than a Saturday, Sunday or public holiday as gazetted by the government of the Republic of South Africa from time to time. Any reference to "business hours" shall be construed as being the hours between 08h30 and 17h00 on any business day. Any reference to time shall be based upon South African Standard Time.

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- 1.8 Unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a business day, the next succeeding business day.
- 1.9 Where figures are referred to in numericals and in words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.
- 1.10 No provision herein shall be construed against or interpreted to the disadvantage of a Party by reason of such Party having or being deemed to have structured, drafted or introduced such provision.
- 1.11 The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.
- 1.12 The words "include" and "including" mean "include without limitation" and "including without limitation". The use of the words "include" and "including" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.
- 1.13 Any reference in this Agreement to "this Agreement" or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document, as amended, varied, novated or supplemented from time to time.
- 1.14 This Agreement incorporates the annexes which annexes shall have the same force and effect as if set out in the body of this Agreement. In this Agreement the words "clause" or "clauses" and "annexe" or "annexes" refer

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to clauses of and annexes to this Agreement.

- 1.15 Headings to clauses are for reference purposes only and do not bear upon the interpretation of this Agreement.

2 INTRODUCTION

- 2.1 In response to the Request for Proposal for reintroduction of an Air Transport Service between OR Tambo International Airport, Cape Town International Airport, Pilanesburg Airport and Mafikeng Airport ('the Airports'), issued by Department of Community Safety and Transport Management ('the Department'), the Airline SA Express responded to request for proposals for the supply of the Airline Service subject to a subsidy from the Department, which request for proposal was duly accepted by the Department Executive Council.

- 2.2 In the event of any conflict between the provisions of any other agreement entered into between the Parties and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3 RECITALS

- 3.1 North West Province is the owner and licensee of Pilanesburg and Mafikeng Airports.
- 3.2 SA Express is capable of conducting the Airline Service in accordance with all relevant statutory and regulatory prescripts and with the type of aircraft mentioned in clause 10.1 of this Agreement, and able to provide the aircraft (including replacement aircraft should the aircraft employed in providing the Airline Service be unserviceable), crew, distribution, sales and airlines operational infrastructure for the operation of the airline service on the designated route.

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3.3 SA Express has the operation and marketing expertise required for the operation of the Airline Service.

3.4 SA Express is a member of the Voyager programme which entitles all its passengers to earn Voyager miles on its flights which may then be redeemed on any Voyager participating member's flights. SA Express is permitted to use SAA tickets and as such enjoys Interlining arrangements with all SAA partners who are members of the Star Alliance.

4 AIRLINE SERVICES

4.1 SA Express and the Department hereby agree that SA Express shall, with effect from the Effective Date, commence the Airline Service on the Designated Route for a period of 5 (five) years calculated from the Effective Date.

4.2 Without in any way derogating from any other provisions of this Agreement providing for termination in certain circumstances, and notwithstanding the duration of this Agreement as set out in clause 4.1, SA Express may, at any time, terminate the Agreement by giving the Department six (6) months prior written notice.

4.3 As a contribution towards the costs of SA Express in providing the Airline Service, the Department shall grant to SA Express the subsidy as more fully described in clause 6 hereof and on the terms and conditions as more fully set out in this Agreement.

4.4 Not later than 6 (six) months prior to the expiry of the period mentioned in clause 4.1, the Parties shall meet with the objectives of negotiating a continuation or discontinuation of the Airline Service on terms and conditions to be agreed between the Parties.

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5 TICKET COSTS

- 5.1 The costs of tickets to be sold shall be as determined by SA Express and shall be subject to an annual increase in line with the airline's fare policy.
- 5.2 The costs of tickets aforesaid shall be exclusive of passenger service charges, security tax, fuel levies and VAT.

6 SUBSIDY

- 6.1 The Department shall pay to SA Express the subsidy and the Management Company the operational costs of both airports annually, in advance, the amount stipulated in annexe A.
- 6.2 In the event that the Parties fail to reach an agreement during the annual review as set out in clause 6.1, and the proposed review is of the amount payable by the Department as stipulated in annex A, SA Express shall be entitled to terminate this Agreement by giving six months written notice and shall be entitled to payment in accordance with annex A, during such notice period.
- 6.3 The obligation of the Department to pay monies in terms of clause 6.1 shall never exceed the amount mentioned therein.
- 6.4 Monies due in respect of penalties (if any) as contemplated in clause 8 of this Agreement shall be invoiced and payable by SA Express within 30 (thirty) days of receipt on the invoice, provided such penalties have been verified and agreed to by the parties.
- 6.5 Should SA Express have a query regarding any penalty, such query shall be made in writing by SA Express, within 14 (fourteen) days of receipt of the invoice and any amount payable in respect of such penalty shall be put on hold until the query has been resolved between the Parties.

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- 6.6 The payment referred to in clause 6.1 shall be made within 5 (five) days of the effective date, and thereafter, on the same date of each following year.

7 QUARTERLY REPORTS

- 7.1 SA Express shall, on a quarterly basis, submit a written return to the Department, wherein it reports on -

- 7.1.1 the dates and number of flights undertaken during the relevant quarter;
- 7.1.2 the number of passengers flown, together with the load factor achieved for that quarter on the Designated Route;
- 7.1.3 the time of departure from either of the airports (as the case may be) and the time of arrival at the relevant flight's destination, in respect of each flight;
- 7.1.4 details of marketing and promotion of the Airline Service done during that quarter and that contemplated for the next quarter, together with the costs and/or anticipated costs thereof; and
- 7.1.5 penalties raised against SA Express in terms of the provisions of clause 8 of this Agreement and the monetary value of such penalties calculated in accordance with the provisions of clause 8.3 of this Agreement.

8 PENALTIES

- 8.1 For purposes of this clause 8 only the following expressions shall each have the meaning ascribed thereto -
- 8.1.1 "Month" means a calendar month as defined in Article 2 of the Interpretation Act, Act 33 of 1957; and
- 8.1.2 "Flight" means a flight as intended in clause 10.5 of this Agreement.

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8.2 In the event of -

8.2.1 a Flight for the first time in a Month not leaving the airport from which it is supposed to depart to its destination, SA Express shall be debited with 1000 (one thousand) penalty points;

8.2.2 a Flight for the second time in the same Month not leaving the airport from which it is supposed to depart to its destination, SA Express shall be debited with 2000 (two thousand) penalty points for the non departure; and

8.2.3 a Flight for the third or more time in the same Month not leaving the airport from which it is supposed to depart to its destination, SA Express shall be debited with 5000 (five thousand) penalty points for each non departure.

8.3 The Department shall, on a Monthly basis, calculate the total penalty points accumulated by SA Express during each Month and express such total penalty points in monetary value. For this purpose, 1000 (one thousand) penalty points shall equate to R2,000.00 (two thousand rand).

8.4 The monetary value of the penalty points calculated in terms of the provisions of clause 8.3 shall be communicated to SA Express and SA Express shall be allowed a period of 14 (fourteen) days to make written representations to the Department in regard thereto. In the event of a dispute between the Parties as to whether a Flight has departed or not, a certificate on the letterhead of ATNS at the airport from which the Flight was supposed to depart shall be *prima facie* proof of whether such Flight departed or not.

8.5 There shall be no penalty imposed in respect of delays or Flights which do not depart from either Oliver Tambo International Airport or Mafikeng

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Airport due to factors beyond the control of SA Express or where the Parties, by prior arrangement, agree that a flight should not take place due to insufficient passengers or on a public holiday or if the Parties agree not to operate any day during off-peak holiday periods.

9 OBLIGATIONS OF DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT.

The Department has the following obligations -

- 9.1 to ensure that Pilanesburg and Mafikeng Airports are at all times in a good and operational condition and licensed to handle at least aircraft of Category 6 (six) capacity;
- 9.2 to provide the necessary staff (all duly trained) and equipment necessary to perform security checks of passengers, crew, baggage and cargo leaving Pilanesburg and Mafikeng Airports;
- 9.3 to ensure the attendance, at Pilanesburg and Mafikeng Airports, of employees of ATNS to provide air traffic control;
- 9.4 to pay to SA Express and the Management Company the monies due as more fully set out above in clause 6;
- 9.5 to do whatever is reasonably within its powers to support SA Express so as to ensure the success of the Airline Service;
- 9.6 to ensure that Pilanesburg and Mafikeng Airports are clean and presentable;
- 9.7 to ensure that during the duration of this Agreement fees and charges to users of Pilanesburg and Mafikeng Airports do not exceed those charged by Airports Company South Africa Limited at OR Tambo International Airport; and

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- 9.8 to ensure that Pilanesburg and Mafikeng Airports remain open and operational from 1 (one) hour before the first scheduled flight is due to arrive, until 30 (thirty) minutes after the last scheduled flight has departed, each day.

10 OBLIGATIONS OF SA EXPRESS

SA Express shall -

- 10.1 with effect from the Effective Date, provide the Airline Service with CRJ 200 aircraft, including a suitable replacement aircraft should the aircraft employed in providing the Airline Service be unserviceable; alternatively with an aircraft of similar size, specification and capabilities;
- 10.2 obtain a prior written approval from the Department should it wish to replace the CRJ 200 aircraft with another type of aircraft;
- 10.3 provide the Airline Service from Mondays to Fridays, excluding public holidays;
- 10.4 provide the Airline Service on Saturdays and/or Sundays and/or public holidays if and for such time as there exists, in the reasonable discretion of SA Express, sufficient demand for such service. Such operations shall be for SA Express's own risk and reward and shall not be financially supported by the Department; and
- 10.5 ensure that the flights provided pursuant to the Airline Service shall depart and arrive as more fully set out in the flight schedule attached hereto as annexe "B";
- 10.6 pay, as provided for by Pilanesburg and Mafikeng Airports, to the Department the prescribed approach fees, landing fees and parking fees; payment to be effected within 30 (thirty) days from the date of such address

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or into such bank account as the Department or ATNS (as the case may be) may in writing advise;

- 10.7 provide, at the Airports, free of charge to passengers, the Ground Handling Services;
- 10.8 provide the entire infrastructure required for the provision of the Airline Service on the Designated Route, including but not limited to -
 - 10.8.1 the maintenance of the aircraft employed in the Airline Service;
 - 10.8.2 the provision of the aircrew;
 - 10.8.3 the supply of all fuel (at its own cost);
 - 10.8.4 insurance in respect of the following -
 - 10.8.4.1 Combined single limit – US\$ 250 000 000.00 per aircraft;
 - 10.8.4.2 Airside liability – US\$20 000 000.00; and
 - 10.8.4.3 Freight liability – US\$2 000 000.00 per aircraft;
 - 10.8.5 all the required licences, permits, consents and the like to enable it to conduct the Airline Service;
 - 10.8.6 a passenger service office on Pilanesburg and Mafikeng Airports, which shall be open during business hours and at all times manned by a person in appropriate uniform; and
 - 10.8.7 the sale of airline tickets, consisting of different classes, to members of the public
- 10.9 appoint and supervise ground staff required to run its stations at Pilanesburg and Mafikeng Airports and to attend at its airports and passenger service offices during business hours;

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11 WARRANTIES BY SA EXPRESS

SA Express warrants to and in favour of the Department -

- 11.1 the correctness of the contents of clauses 3.2, 3.3, and 3.4 of this Agreement;
- 11.2 that for purposes of landing at and departure from OR Tambo and Cape Town International Airports it has access to slots at the required times;
- 11.3 that it has access to all necessary infrastructure, personnel, licences (which licences were, *inter alia*, issued in terms of the Air Services Licensing Act, Act 115 of 1990), operating certificates (*inter alia*, issued in terms of Parts 121, 127 and 135 of the CAA regulations, in terms of which it is authorised to operate air services in accordance with Operations Manuals approved, and in terms of the provisions of the Air Services Licensing Act, Act 115 of 1990, International Air Services Act, Act 60 of 1993, the Aviation Act, Act 74 of 1962 and the Civil Aviation Offences Act, Act 10 of 1972), permits, consents and the like required to perform the Airline Service and that all such licenses, permits and consents are in full force and effect as at the Signature Date;
- 11.4 that it knows of no reason (having made all reasonable enquiries in this regard) why any such licence, permission or consent referred to in clause 11.3 would either be withdrawn or, as the case may be, not renewed during the duration of this Agreement;
- 11.5 that no litigation, arbitration, investigation or administrative proceeding is in progress as at the Signature Date, or to the best of its knowledge (having made all reasonable enquiries) threatened against it, which is likely to have a material adverse effect on the ability of SA Express to provide the Airline Service;

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Handwritten initials: *B.M*
Handwritten text: *A.C.N. B.M*

11.6 it is not subject to any obligation or non-compliance which is likely to have a material or adverse effect on its ability to provide the Airline Service;

11.7 no proceedings or other steps have been taken or, to the best of its knowledge (having made all reasonable enquiries) threatened for the winding up or liquidation (whether voluntary or involuntary, provisional or final), judicial management (whether provisional or final) or deregistration of SA Express or for the appointment of a liquidator, judicial management or similar officer over it or over any of its assets, or for the transfer from itself of its business; and

11.8 all information disclosed by or on behalf of the Airline in response to the Request for Proposal for Reintroduction of an Air Transport Service between the Airports, or in the subsequent request for proposal, is true, complete and accurate in all material respects and SA Express is not aware of any material facts or circumstances not disclosed to the Department which would, if disclosed, be likely to have an adverse effect on the Department's decision to accept SA Express's proposal.

12 INSPECTION

12.1 SA Express shall at all reasonable times during the duration of this Agreement or on completion thereof, make all records relevant to the Airline Service available for inspection by either -

12.1.1 a representative of the Department;

12.1.2 any department of North West Province;

12.1.3 a representative of the Government of the Republic of South Africa;
and/or

12.1.4 the agent of any one or more of the above

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- 14.7.1 to monitor the day-to-day performance of SA Express including the reason(s) for any penalty raised against SA Express as contemplated in clause 8;
- 14.7.2 to debate and address any difficulties and/or differences which either of the Parties may have experienced, or which are reasonably anticipated, including any complaint(s) from either Party or a member of the public;
- 14.7.3 to monitor compliance with the provisions of this Agreement;
- 14.7.4 to recommend amendment(s) to this Agreement to their principals;
- 14.7.5 to deal with dispute(s) as contemplated in clause 23 of this Agreement;
- 14.7.6 to appoint a secretary to the Operational Committee; and
- 14.7.7 to decide the procedure(s) to be followed at its meetings, provided that such does not contradict the provisions of this Agreement.
- 14.8 Duty appointed alternate representatives shall be entitled to attend meetings of the Operational Committee should any member thereof not be available and such alternate representative shall have the right to speak thereat, but no alternate representative shall be entitled to vote if the member that he represents is present at such meeting.
- 14.9 A quorum for a meeting of the Operational Committee shall be one representative of each of the Parties, subject to due and proper notice of the meeting (which shall include the proposed agenda and any resolution to be proposed at the meeting) having been received by all the members of the Operational Committee at least 7 (seven) days before the date for which such meeting is scheduled.
- 14.10 If within half an hour or such longer period as those present may agree,

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after the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same time and day of the following week and written notice of such adjourned meeting shall be given to each member of the Operational Committee. If at such adjourned meeting a quorum is not present within half an hour or such longer period as those present may agree, after the time appointed for the meeting, those present shall form a quorum.

14.11 Each member of the Operational Committee shall be entitled to 1 (one) vote.

14.12 The issues raised at meetings of the Operational Committee shall be decided by a simple majority vote.

14.13 SA Express shall at each meeting report on the operation of the Airline Service and without derogating from the generality of this expression, such report shall include -

14.13.1 the number of passengers per flight since the Effective Date or the last meeting of the Operational Committee, as the case may be;

14.13.2 the growth or decline, as the case may be, of passengers per flight and the reason(s) therefore;

14.13.3 the viability of the Airline Service;

14.13.4 the demand, including the prospective demand, for the Airline Service;

14.13.5 monies spent on advertising and the promotion of the Airline Service together with details of how and where such monies were spent;

14.13.6 future advertising and promotion of the Airline Service;

14.13.7 any information on penalties; and

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12.2 For purposes of such inspection -

12.2.1 all premises of SA Express shall be accessible and open during business hours for such inspection, provided a reasonable prior notice of such inspection is given to SA Express; and

12.2.2 SA Express shall supply, within 7 (seven) days of written demand, such information as it may be called upon to deliver, including copies of such documents as are under its control.

12.3 SA Express hereby irrevocably agrees that its financial standing may be examined as part of the inspection aforesaid.

13 ACCESS TO INFORMATION

13.1 SA Express shall provide the Department with all the information, documents, records and the like in the possession of, or available to, SA Express (and to this end SA Express shall use all reasonable endeavours to ensure that all such information shall be available to it) as may reasonably be requested by the Department for the purpose of complying with any of its statutory reporting obligations, including where pursuant to the Public Finance Management Act, 1999 or the Auditor-General Act, 1995.

13.2 Without limiting the generality of the foregoing, SA Express shall -

13.2.1 provide and shall procure that all its members shall provide all such information as the Department may reasonably require from time to time to enable it to provide reports and returns as it is legally obliged to do; and

13.2.2 note and facilitate the Department's compliance with the Promotion of Access to Information Act, 2000 in the event that the Department is

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required to provide information to any person pursuant to this Act.

14 OPERATIONAL COMMITTEE

- 14.1 An Operational Committee shall be established within 30 (thirty) days after the Signature Date.
- 14.2 The Operational Committee shall consist of a maximum of 2 (two) representatives each from the Department and SA Express.
- 14.3 The Operational Committee shall meet during the first 6 (six) months of this Agreement on a monthly basis in terms of a schedule to be approved at the first meeting, which shall take place within 30 (thirty) days after the Signature Date.
- 14.4 Meetings of the Operational Committee shall be at such venue(s) as the Operational Committee shall decide from time to time.
- 14.5 After the first 6 (six) months the Operational Committee shall determine the frequency, dates, times and venue of ensuing meetings.
- 14.6 The Chairperson of the Operational Committee shall be chosen at the first meeting and -
- 14.6.1 shall be chosen from one of the representatives and who shall hold office for a period of 12 (twelve) months;
- 14.6.2 shall thereafter be chosen from the representatives, save that he / she shall be from a Party different from that of the previous chairperson; and
- 14.6.3 shall not have a casting vote.
- 14.7 The duties of the Operational Committee include, but are not limited to the following -

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any other information which could be of interest to the Operational Committee or of value to either of the Parties.

15. MANAGEMENT COMPANY

- 15.1 The Department mandates SA Express to appoint a management company responsible for managing the operations at Pilanesburg and Mafikeng airports.
- 15.2 The Department shall be liable for the payment of operational costs of the operations of the said management company.
- 15.3 The management company will be responsible for operational and other additional services as required and agreed with the Department and Airline.
- 15.4 SA Express shall enter into a Service Level Agreement with the management company, in terms of which the performance of the management company will be monitored and evaluated.
- 15.5 For the purposes of development and skills transfer, SA Express shall train the employees of the management company, to be able to perform the functions in terms of the Service Level Agreement referred to in 15.4 above.

16 RELATIONSHIP

The relationship between the Parties as established in terms of this Agreement is not a partnership and each of the Parties is liable for its own liabilities emanating from the provision of the Airline Service as herein contemplated.

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17 WAIVERS AND INDEMNITY

17.1 The Parties hereby waive whatever claim they have or may in future have against each other, save for a claim which emanates from their obligation(s) in terms of this Agreement.

17.2 The Department hereby -

17.2.1 indemnifies and holds SA Express free from any and all claims that may be instituted against SA Express, including the legal costs thereof calculated on attorney-and-own-client-scale, by third parties and which claims emanate from the provisions of this Agreement, unless pursuant to the gross negligence or wilful conduct of SA Express or its employees, agents or any person for whose actions SA Express is liable.

17.2.3 Similarly, SA Express hereby, save for a claim in favour of the Department which emanates from the obligation(s) of SA Express in terms of this Agreement, indemnifies and holds the Department free from any and all claims that may be instituted against SA Express, including the legal costs thereof calculated on attorney-and-own-client-scale, by third parties and which claims emanate from the provisions of this Agreement, unless pursuant to the gross negligence or wilful conduct of the Department or its employees, agents or any person for whose actions the Department is liable.

18 CONFIDENTIALITY

18.1 For purposes of this clause 18, "Confidential Information" shall mean any confidential information provided by one Party to the other or otherwise acquired including but not limited to all information which relates to the Request for a Proposal for the Airline Service, SA Express's response thereto, the tender process, the negotiations between the Department and

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SA Express which ensued, the contents of this Agreement or any correspondence or communications between the Parties, including the monthly returns to be submitted by SA Express in terms of the provisions of clause 7 of this Agreement and the agenda and minutes of the Operational Committee, irrespective of whether the Confidential Information emanates pursuant to discussions between the Parties, in writing or in electronic format.

18.2 The Parties shall -

- 18.2.1** use the Confidential Information only for purposes of protecting its interests emanating from this Agreement or for purposes of executing its obligations in terms hereof;
- 18.2.2** treat and safeguard the Confidential Information as private and confidential;
- 18.2.3** ensure proper and secure storage of the Confidential Information; and
- 18.2.4** not at any time, without the prior written consent of the other Party, disclose the Confidential Information to a third party.

19 FORCE MAJEURE

19.1 For purposes of this Agreement, "Force Majeure" means any of the following events or circumstances -

- 19.1.1** war, civil war, armed conflict or terrorism; or
- 19.1.2** nuclear contamination unless SA Express is the source or cause of the contamination; or
- 19.1.3** chemical or biological contamination from any of the events referred to in clause 19.1.1;

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19.1.4 extreme bad weather conditions, acts or omissions of ATNS and/or the Department, strikes or lock-outs which make take off, flight or landing of the aircraft to be employed in terms of clause 10.1, dangerous to either the passengers or the aircraft;

19.1.5 unavoidable mechanical failure of aircraft including but not limited to ingestion into an engine of birds or foreign objects; or

19.1.6 any delay due to factors beyond the control of SA Express;

which directly cause either Party to be unable to comply with all or a material part of its obligations under this Agreement.

19.2 Subject to the provisions of clause 19.3, the Party claiming relief shall be relieved from liability under this Agreement to the extent that by reason of the Force Majeure event it is not able to perform all or a material part of its obligations under this Agreement.

19.3 Where a Party is (or claims to be) affected by an event of Force Majeure -

19.3.1 it shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this Agreement and resume performance of its obligations affected by the event of Force Majeure as soon as practicable and use all reasonable endeavours to remedy its failure to perform; and

19.3.2 it shall not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to its failure to comply with its obligations under clause 19.3.1.

19.4 The Party claiming relief shall serve written notice on the other Party within 3 (three) days of it becoming aware of the relevant event of Force Majeure.

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Such initial notice shall give sufficient details to identify the particular event claimed to be an event of Force Majeure.

- 19.5 A subsequent written notice shall be served by the Party claiming the relief on the other Party within a further 7 (seven) days which shall contain such relevant information relating to the failure to perform (or delay in performing) as is available, including (without limitation) the effect of the event of Force Majeure on the ability of the Party to perform, the action taken in accordance with clause 19.3.1, the date of occurrence of the event of Force Majeure and an estimate of the period of time required to overcome it and/or its effect.
- 19.6 The Party claiming relief shall notify the other as soon as the consequences of the event of Force Majeure have ceased and when performance of its affected obligations can be resumed.
- 19.7 If, following the issue of a notice as contemplated in clause 19.5, the Party claiming relief receives or becomes aware of any further information relating to the event of Force Majeure (and/or any failure to perform), it shall submit such further information to the other Party as soon as reasonably possible.
- 19.8 The Parties shall meet within 21 (twenty one) days calculated from the date on which the event of Force Majeure occurred, to agree to amendments to the contents of this Agreement in the light of the occurrence of the event of Force Majeure.
- 19.9 Should the Parties have failed to meet as contemplated in clause 19.8, or to reach agreement as contemplated in clause 19.8, either Party may at any time thereafter, but not later than 14 (fourteen) days after the date of the meeting contemplated in clause 19.8, terminate this Agreement by written notice to the other Party which termination shall have immediate effect on

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receipt thereof by the Party concerned.

20 BENEFIT

This Agreement shall be binding on the Parties, and shall be for the benefit of the Parties and the public at large.

21 ASSIGNMENT

Save as expressly permitted hereunder, a Party shall not, without the prior written approval of the other, assign, cede, delegate, transfer or otherwise dispose of any right or obligation under this Agreement to another person.

22 NOTICES AND DOMICILIA

- 22.1 The Parties select as their respective *domicilia citandi et executandi* the following physical addresses, and for the purposes of giving or sending any notice provided for or required under this Agreement or payment of any amount, or for any other purposes in terms of this Agreement, the said physical addresses as well as the following telefax numbers -

<u>Name</u>	<u>Physical Address</u>	<u>Telefax</u>
North West Province	Safety House 31-34 Molopo Road Mafikeng 2745 Pnamate@nwpg.gov.za	018-381 9171

Marked for the attention of: The Head of Department, Department of Transport

<u>Name</u>	<u>Physical Address</u>	<u>Telefax</u>
SA Express	2 nd Floor E Block Offices 1 Jones Road Airways Park	011-978-6678

Marked for the attention of: The General Manager, Commercial

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provided that a Party may change its *domicilium* or its address for the purposes of notices to any other physical address or telefax number by written notice to the other Party to that effect. Such change of address shall be effective 5 (five) business days after receipt of the notice of the change.

22.2 All notices to be given in terms of this Agreement shall be given in writing, in English, and shall -

22.2.1 be delivered by hand or sent by telefax;

22.2.2 if delivered by hand during business hours, be presumed to have been received on the date of delivery. Any notice delivered after business hours or on a day which is not a business day shall be presumed to have been received on the following business day; and

22.2.3 if sent by telefax during business hours, be presumed to have been received on the date of successful transmission of the telefax. Any telefax sent after business hours or on a day which is not a business day shall be presumed to have been received on the following business day.

22.3 Notwithstanding the above, any notice given in writing in English, and actually received by the Party to whom the notice is addressed, shall be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this clause 22.

22.4 The Parties record that whilst they may correspond via email during the currency of this Agreement for operational reasons, no formal notices required in terms of this Agreement, nor any amendment or variation to this Agreement may be given or concluded via email.

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23 DISPUTE RESOLUTION

- 23.1 Any dispute which may arise between the Parties shall firstly be referred to the Operational Committee established in terms of the provisions of clause 14 of this Agreement for settlement and for purposes of the meeting of the Operational Committee to address such dispute, such meeting may be called by any of the Parties by giving not less than 7 (seven) days written notice to the other Party and to each of the members of the Operational Committee. For purposes of such meeting the provisions of clause 14 shall *mutatis mutandis* apply.
- 23.2 Should the Operational Committee be unable to resolve the dispute, same shall be referred to the Head of the Department, Department of Community Safety and Transport Management, and the Chief Executive Officer of SA Express, who shall use their best endeavours to settle such dispute.
- 23.3 Should the dispute not be capable of settlement as contemplated in clause 23.2, then such dispute shall be referred to arbitration as provided for in clause 24.

24 ARBITRATION

- 24.1 Any and all disputes which may arise between the Parties shall be referred to, and settled by Arbitration as intended in this clause 24.
- 24.2 Subject to the provisions of clause 23, should any dispute arise between the Parties in regard to or arising out of -
- 24.2.1 the interpretation of this Agreement;
 - 24.2.2 the carrying into effect of this Agreement;
 - 24.2.3 the Parties' respective rights and obligations in terms of this Agreement;

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24.2.4 the rectification of this Agreement;

24.2.5 the termination of this Agreement;

24.2.6 any question as to whether a valid and binding agreement was concluded between the Parties or whether such agreement is of legal force or effect; or

24.2.7 any other matter whatsoever emanating from this Agreement;

that dispute shall be submitted to and finally settled by arbitration. In the event of either Party disputing that a valid or binding agreement has been concluded, or disputing that the Agreement is of full force and effect, the Parties nevertheless agree to submit such dispute to arbitration as provided herein and in that regard this clause 24 shall be deemed to be severable from the remainder of this Agreement.

24.3 Any Party to this Agreement may demand that a dispute be settled in terms of this clause 24 by giving written notice to the other Party.

24.4 This clause 24 does not prevent a Party from obtaining relief on an urgent basis from a court, pending the decision of the arbitrator.

24.5 The arbitration shall be held at Mahikeng, with only the Parties and their representatives present thereat.

24.6 The arbitration shall be held *mutatis mutandis* in accordance with the Rules promulgated in terms of the Supreme Court Act, No 59 of 1959 and the rules of practice of the North West High Court of South Africa; otherwise in terms of the Arbitration Act No. 42 of 1965, it being the intention that the arbitration shall be held and concluded as soon as possible.

24.7 The arbitrator shall, if the matter in dispute is principally -

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- 24.7.1 a legal matter, be a practising counsel or a practising attorney of not less than 10 (ten) years standing;
- 24.7.2 an accounting matter, be a practising chartered accountant of not less than 10 (ten) years standing;
- 24.7.3 any other matter, be an independent person qualified to hear and adjudicate upon such matter;
- and shall be agreed to between the Parties.
- 24.8 Should the Parties fail to agree whether the dispute is principally a legal, accounting or other matter within 7 (seven) days after arbitration has been demanded, the matter shall be considered to be a legal dispute.
- 24.9 Should the Parties fail to agree upon an arbitrator within 14 (fourteen) days after the arbitration has been demanded, then the arbitrator shall be appointed at the request of either of the Parties by the President for the time being of the Law Society of the Northern Provinces or its successor in title or the President of the North West Bar Council.
- 24.10 The Parties irrevocably agree and undertake with each other that any award that may be made by the arbitrator -
- 24.10.1 shall be final and binding upon them;
- 24.10.2 shall be carried into effect; and
- 24.10.3 may be made an order of Court of jurisdiction .
- 24.11 This clause 24 is severable from the rest of this Agreement and shall remain in effect even if this Agreement is terminated or cancelled for any reason.
- 24.12 The receipt by any party to this Agreement of a notice in terms of the

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provisions of clause 24.3 shall constitute the service of a process for the purposes of interruption of prescription in terms of the provisions of Section 8 of the Prescription Act, Act 68 of 1969 or the corresponding provision in any amendment thereto or replacement legislation.

25 BREACH

Notwithstanding anything to the contrary contained in this Agreement, neither Party shall be entitled to cancel this Agreement in consequence of any breach by the other Party ("Guilty Party") unless such breach is -

- 25.1 a material breach; and
- 25.2 incapable of being remedied by payment of money or being rectified; or
- 25.3 capable of being remedied by the payment of money or being rectified, and -
 - 25.3.1 the Guilty Party fails to pay such money within 30 (thirty) days from written demand by the innocent Party; or
 - 25.3.2 the alleged breach or the amount claimed is contested, and the Guilty Party fails to pay such amount or to remedy such breach within 21 (twenty one) days calculated from the date on which same is finally adjudicated upon.

26 GENERAL

- 26.1 Subject to clause 26.2, this Agreement constitutes the whole of the agreement between the Parties relating to the matters dealt with herein and, save to the extent otherwise provided herein, no undertaking, representation, term or condition relating to the subject matter of this Agreement not incorporated in this Agreement shall be binding on either of the Parties.

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- 26.2 Clause 26.1 shall not apply to any statement, representation or warranty made fraudulently, or to any provision of this Agreement which was induced by fraud, for which the remedies are available shall be all those available under the law governing this Agreement.
- 26.3 No addition to or variation, deletion, or agreed cancellation of all or any clauses or provisions of this Agreement shall be of any force or effect unless in writing and signed by the Parties.
- 26.4 No waiver of any of the terms and conditions of this Agreement shall be binding or effectual for any purpose unless in writing and signed by the Party giving the same. Any such waiver shall be effective only in the specific instance and for the purpose given. Failure or delay on the part of either Party in exercising any right, power or privilege hereunder shall not constitute or be deemed to be a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 26.5 All provisions and the various clauses of this Agreement are, notwithstanding the manner in which they have been grouped together or linked grammatically, severable from each other. Any provision or clause of this Agreement which is or becomes unenforceable in any jurisdiction, whether due to voidness, invalidity, illegality, unlawfulness or for any other reason whatever, shall, in such jurisdiction only and only to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions and clauses of this Agreement shall remain of full force and effect. The Parties declare that it is their intention that this Agreement would be executed without such unenforceable provision if they were aware of such unenforceability at the time of execution hereof.
- 26.6 Any consent or approval required to be given by either Party in terms of this

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Agreement shall, unless specifically otherwise stated, not be unreasonably withheld.

- 26.7 This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts.

27 APPLICABLE LAW AND JURISDICTION

- 27.1 This Agreement shall in all respects be governed by and construed under the laws of the Republic of South Africa.
- 27.2 Subject to the provisions of clauses 23 and 24, the Parties hereby consent and submit to the non-exclusive jurisdiction of the North West High Court of the Republic of South Africa in any dispute arising from or in connection with this Agreement. The Parties agree that any costs awarded shall be recoverable on an attorney-and-own-client scale unless the Court specifically determines that such scale shall not apply, in which event the costs will be recoverable in accordance with the High Court tariff, determined on an attorney-and-client scale.

28 SUPPORT

- 28.1 The Parties undertake at all times to do all such things, perform all such actions and take all such steps (including in particular the exercise of the respective voting rights on the Operational Committee) and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for or incidental to the putting into effect or maintenance of the terms, conditions and/or import of this Agreement.
- 28.2 The Parties undertake at all times to exercise utmost good faith in their

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dealings with each other.

29 COSTS

Each party shall bear and pay its own legal costs and expenses of and incidental to the negotiation, drafting, preparation and implementation of this agreement.

30 SIGNATURE

Signed on behalf of the Parties, each signatory hereto warranting that he/she has due authority to do so.

Signed for and on behalf of the DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT (NORTH WEST PROVINCE)	
Signature: 	
Signed at	Date
Full name	MR. THABANG BAILEY MAHLAKOLENG
Designation	HEAD OF DEPARTMENT
(Who warrants that he is duly authorized as Acting Head of Department or delegated by virtue of his position)	
As witnesses Signature on 1 & 2 and full Names below	1.
	2.
Signed at:	Date

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A.L.N. B.M.

Signed for and on behalf of SA EXPRESS LTD			
Signature: <i>Inati Ntshanga</i>			
Full Name	INATI NTSHANGA		
Designation	CEO		
Signed at:	AIRWAYS PERK	Date:	
(Who warrants that he is duly authorized as the..... or delegated by virtue of his position)			
As Witnesses Signature on 1 & 2 and full Names below	1. <i>B. J. VAN WYK</i>	2.	
	<i>Alme Hysk</i>		
Signed at:	AIRWAYS PERK	Date:	

SERVICE LEVEL AGREEMENT – SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY
SAFETY AND TRANSPORT MANAGEMENT

PAID

for

BTW

A.L.N. B.H

ANNEXE "A"

SUBSIDY STRUCTURE

North West Concession					
Pietersburg	Y1 50%	Y2 40%	Y3 30%	Y4 20%	Y5 30%
Concession - Airline Subsidy	29 829 456	29 063 565	24 297 674	24 297 674	24 297 674
Concession - JNB-NTY Airline Subsidy	11 914 728	9 531 782	7 148 837	7 148 837	7 148 837
Concession - CPT-NTY Airline Subsidy	11 914 728	9 531 782	7 148 837	7 148 837	7 148 837
Mafikeng	Y1 100%	Y2 95%	Y3 85%	Y4 75%	Y5 65%
Concession - JNB-MBO Airline Subsidy	34 467 674	32 794 790	29 289 023	25 843 255	22 397 488
Total Subsidy	58 207 130	51 795 355	43 686 696	40 140 929	36 695 162
Management Company Subsidy	Y1	Y2	Y3	Y4	Y5
Route Marketing Subsidy - Pietersburg	14 656 435	4 850 000	4 550 000	4 550 000	4 550 000
Route Marketing Subsidy - Mafikeng	14 856 435	4 850 000	4 550 000	4 550 000	4 550 000
Operations Costs - Pietersburg	11 000 000	11 000 000	11 000 000	11 000 000	11 000 000
Operations Costs - Mafikeng	11 000 000	11 000 000	11 000 000	11 000 000	11 000 000
Total Subsidy	51 712 870	31 700 000	31 100 000	31 100 000	31 100 000
TOTAL SUBSIDY	110 000 000	83 495 355	74 686 696	71 240 929	67 795 162

SERVICE LEVEL AGREEMENT - SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

ANNEXE "C"

FLIGHT SCHEDULE include for the airports

Johannesburg - Pilanesberg Schedule								
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1261	JNB	NTY	50	09:30	10:20	00:50	1-3-5-
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1264	NTY	JNB	50	10:55	11:45	00:50	-3--
CR2	SA1268	NTY	JNB	50	16:20	17:20	01:00	1--5-
Cape Town - Pilanesberg Schedule								
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1255	CPT	NTY	50	13:50	16:00	02:10	1--5-
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1254	NTY	CPT	50	11:00	13:20	02:20	1--5-
Johannesburg - Mahikeng Schedule								
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1121	JNB	MBD	50	05:50	06:40	00:50	1-3-5-
CR2	SA1127	JNB	MBD	50	17:55	18:45	00:50	1-3-5-
Equip	Flt Nbr	Dep	Arr	Cap	STD	STA	Block	Dow
CR2	SA1122	MBD	JNB	50	07:05	07:55	00:50	1-3-5-
CR2	SA1128	MBD	JNB	50	19:30	20:20	00:50	1-3-5-

SERVICE LEVEL AGREEMENT - SA EXPRESS AIRLINES AND DEPARTMENT OF COMMUNITY
SAFETY AND TRANSPORT MANAGEMENT

A.C.N. B.M.

BM 2



BM2

Manco by new
Pack including

- 612
- Apartment Unit
- Invoice
- Tag
- Proof of Payment

PACK

PAYMENT

COIN

A.L.N. B.M.

464



dc&lm

Department
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PAYMENT FLOW AND QUERY SHEET

RECEIVING	
Ref No:	05E016634 (01) . (Order/ID/Co no.)
NAME	Jethro P. N. O. .
SIGN	<i>[Signature]</i>
DATE	28/04/2017 .

COMPLIANCE & PRE-AUDIT	
NAME	Cynthia .
SIGN	<i>[Signature]</i>
DATE	28-04-2017

REMITTANCE	
NAME	Agnes .
SIGN	<i>[Signature]</i>
DATE	03/05/2017

FILING	
File Ref No:	
NAME	Marebo .
SIGN	<i>[Signature]</i>
DATE	2018 . 02 . 03

A . L . N . B . M

DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

PROCUREMENT REQUISITION/CONTROL FORM

COST CENTRE: TRANSPORT OPERATIONS **REQUISITION NO: 01**

MAHAKING AIRPORT MANAGEMENT COMPANY **P.O. BOX 6909**
MHABATHO 2735

TENDERS AND/OR QUOTATIONS RECEIVED		MUTUATION	
SUPPLIER 1	SUPPLIER 2	SUPPLIER 3	
PLAID	R	R	R
1	15 850 000.00		
1			
	15 850 000.00	0.00	0.00

DESCRIPTION OF GOODS/SERVICE(S) Part 1
SUBSIDY FOR OPERATIONAL SETUP MAHAKING AIRPORT
MAHAKING ROUTE - MARKETING SUBSIDY
FAIR TRAFFIC & NAVIGATION SERVICES

QUANTITY	UNIT	REGION	ASSET	PROJ	FUND	RESP	INPR
1		000 58	000 22	000 18	000 38	30190	000 22
1		000 58	000 22	000 18	000 38	30190	000 22

APPROVAL/NUMBER: 15 850 000.00

REQUESTED BY: NY DAVEL **TEL: 013 200 8028**

DEP	ITEM	OBJ	RESP	FUND	PROJ	REGION	ASSET	INPR
05	03044	30019	30190	000 38	000 18	000 58	000 22	000 22

1. Optional Budget
2. Less: Expenditure to date
3. Less: Committed Amount
4. Balance (1-2+3)
5. Less: Expenditure Applied
6. Available Budget (4-5)

CERTIFIED CORRECT: *[Signature]*
COST CENTRE CLERK

LOGISTIC CONTROL OFFICE
APPROVED BY: BUDGET CONTROL OFFICE
APPROVED SIGNATURE: *[Signature]*
PR: "VLE OF THE NORTH WEST"
REPUBLIC OF SOUTH AFRICA
REPUBLIC VAN SUDBAAR

DISTRIBUTION OF GOODS
DISTRIBUTED BY: *[Signature]*
DATE: 12/04/17
RECEIVED BY: *[Signature]*
DATE: 12/04/17

DATE: 12/04/2017

TEL NO: 013 200 8028
TEL NO: 013 200 8028

NR: Requisition for purchase/service will not be processed unless the above details have been properly filled

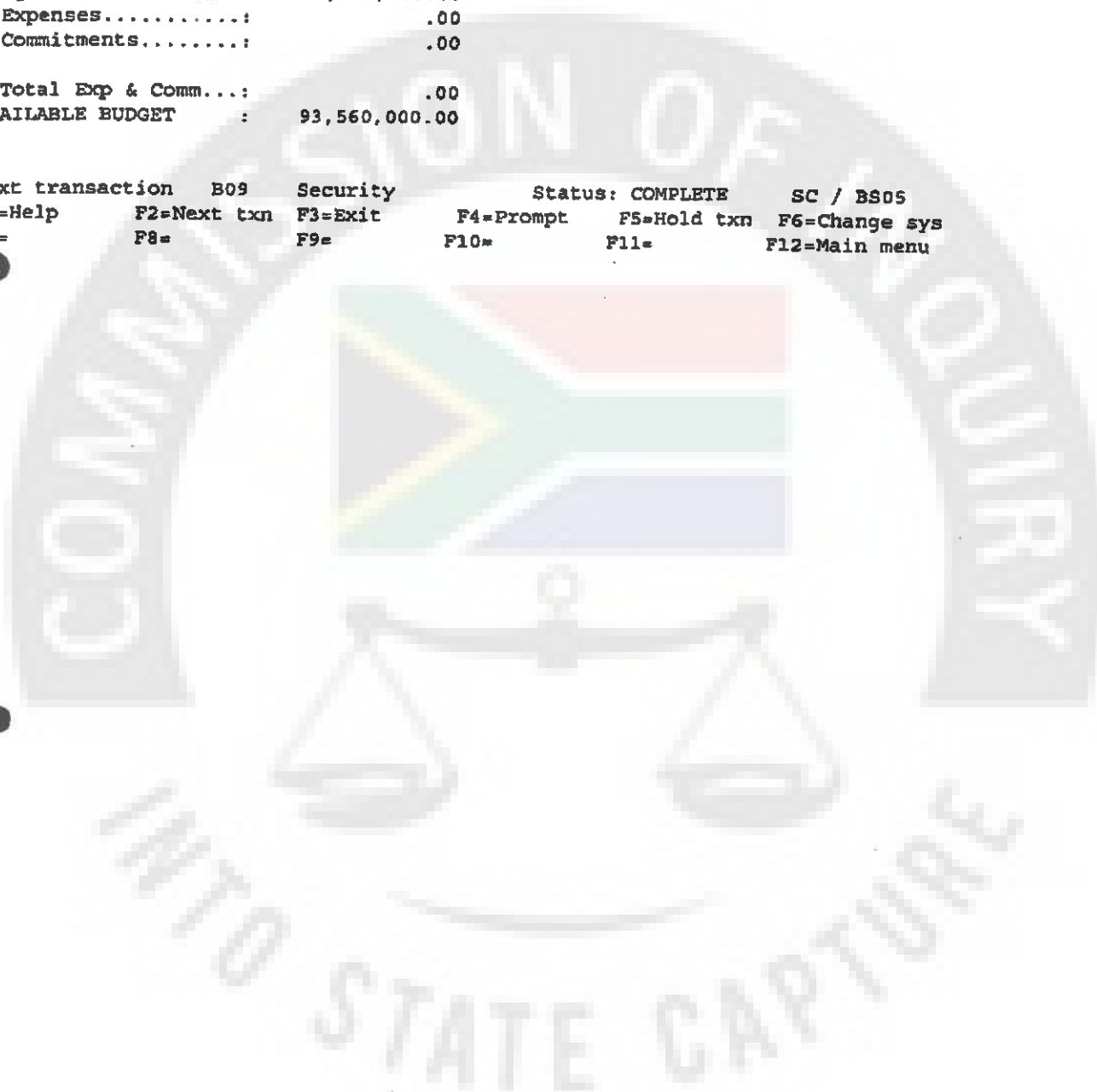
B09 / BSENB09

Department..... 05 DEPARTMENT OF COMMUNITY SAFETY AND TRANS
 Item..... 03044 SA EXPRESS
 Obj..... 30019 HTR:TRANSPORT SYSTEMS*P
 Responsibility..... 30190 DIV:AIRPORT ADMIN*P
 Fund..... 00038 VOTED FUNDS
 Proj..... 00018 NO PROJECTS
 Asset Category..... 00022 NON-ASSETS RELATED
 Region Identifier..... 00058 NW: WHOLE PROVINCE
 Infrastructure..... 00022 INFRASTRUCTURE TRANSFERS CURRENT
 Year..... 2017

Budget Amount.....: 93,560,000.00
 Expenses.....: .00
 Commitments.....: .00

- Total Exp & Comm....: .00
 AVAILABLE BUDGET : 93,560,000.00

Next transaction B09 Security Status: COMPLETE SC / BS05
 F1=Help F2=Next txn F3=Exit F4=Prompt F5=Hold txn F6=Change sys
 F7= F8= F9= F10= F11= F12=Main menu



A.L.N. - B.M



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E Block Offices
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F: +27 (0)11 978 5578

P O Box 101
OR Tambo International A
1027
South Africa
www.flyexpress.aero

Valotech Facilities Management CC
34 Impala Street
Golf Avenue
Mafikeng, North West
2745

13 March 2017

Dear Sir/Madam

**Re: TERMINATION OF STANDARD GROUND HANDLING AGREEMENT BETWEEN
VALOTECH FACILITIES MANAGEMENT CC AND SA EXPRESS**

This letter serves as confirmation of termination for standard ground handling services at Mafikeng Airport. The agreement shall terminate on the **31 March 2017**.

Please liaise with the newly appointed airport management company.

Yours faithfully,

Inati Ntshanga
CEO

PAID

Board of Directors: G N Sathema (Chairperson), I Ntshanga* (Chief Executive Officer), M R Sney* (Chief Financial Officer),
T Arahema, B P B Dube, R Marriem (mpa), J N Muzonde, P Ramosebuti, G R Stora

Company Secretary: M Qa
* Executive Director

South African Express Airways SOC Ltd
Co Reg No 193000/1412/30
VAT Reg No 4420140485

A.L.M. B.M.



2nd Floor
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Airways Park
1 Jones Road
T: +27 (0)11 678 9900
F: +27 (0)11 678 5578

P O Box 101
OR Tambo International
1627
South Africa
www.flyexpress.aero

17 March 2017

Mr. Bhuti Chuma
Acting HOD: DCS and TM
Department of Community Safety and Transport Management
Mahikeng Airport
Bray Road
Mahikeng
2725

RE: PAYMENT OF MANAGEMENT AND ROUTE SUBSIDY

Dear Mr. Chuma

As per the letter sent to you, we confirm that you have given notice of termination to both Valotech effective 31 March 2017 and Koroneka effective 15 April 2017 respectively, as earlier communicated. We have appointed Mahikeng Airport Management Company to manage Mahikeng Airport effective 1 April 2017. We are in the process of appointing a Pilanesburg Airport Management Company to manage Pilanesburg airport effective 16 April 2017. We would like to request that all subsidies moneys due be settled accordingly.

Yours sincerely,

Inati Ntshanga
Inati Ntshanga
Chief Executive Officer

PAID

Board of Directors: G M Mphahlela (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shale* (Chief Financial Officer),
T Abrahams, B P B Dube, R Ntshani (Mrs), J N Nkomo, P Ramosebudi, G R Sinye

Company Secretary: M Goe
* Executive Director

South African Express Airways SOC Ltd
Co Reg No 1990/007412/23
VAT Reg No. 4400140485

A.L.N

B.M



dcs&tm

Department
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

TRANSPORT OPERATIONS

Tirelo Building Albert Luthuli Road
Mafikeng, 2743
P/Bag X 18 Mmabotho 2736
Tel: +27 (0) 56 4474
Fax: +27 (0) 56 4400

REQUEST FOR QUOTATION FORM

DIRECTORATE : TRANSPORT OPERATIONS
CONTACT PERSON : LA MONGAE
TEL : 018 200 8028
PLACE OF DELIVERY : TIRELO
DATE : 12/04/2017



COMMODITY	SPECIFICATION	QUANTITY
SUBSIDY FOR OPERATIONAL SETUP - MAFIKENG AIRPORT	SUBSIDY FOR OPERATIONAL SETUP - MAFIKENG AIRPORT	01
MAFIKENG ROUTE - MARKETING SUBSIDY	MAFIKENG ROUTE - MARKETING SUBSIDY	01

NB: REQUEST FOR QUOTATIONS MUST BE SUBMITTED FIVE DAYS BEFORE

QUOTATION AMOUNTING TO 30,000 UP TO 1 000,000 WILL BE EVALUATED ON 80/20 PRINCIPLE

COMPULSORY LEGAL DOCUMENTS REQUIRED

The following documents must be attached to the quotation with amount of R30 000.00 and above;

- Valid original tax clearance certificate
- Company registration certificate
- Certified copy/s of identity document of main shareholder/directors
- Certified copy or original BBBEE status level certificate
- Joint venture agreement (if any)

***NB SBD FORMS MUST BE FULLY COMPLETED AND SIGNED WHERE NECESSARY**

Closing date of the quotation:

Time: 1

"Together we can move Bokone Bophirima Forward"

ALN

B.M

DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

PROCUREMENT CHECKLIST

SUPPLIER NAME: Polakberg Airport Academy FILE NOORDER NUMBER: 05E016634 P 1

NB: The user is required to tick the appropriate box and sign the checklist



STAGE ONE (Demand Unit)

Verification of goods/services required as per procurement plan YES NO N/A

Description Air Traffic & Navigation Services YES NO N/ASignature: [Signature] Date: 12/04/2017

STAGE TWO (Acquisition Unit)

1. Verify validity of contracts YES NO N/A

2. If YES check if the quotation is as per the contract terms, conditions and pricing YES NO N/A

Signature: [Signature] Date: 12/04/2017

STAGE THREE (DEMAND MANAGEMENT)

1. Obtain minimum number of three quotations YES NO N/A

2. Pro quote quotations YES NO N/A

3. Manual quotations YES NO N/A

4 Deviation attached for less than three quotations YES NO N/A

5 Verified the tax status on the SARS website/Original or certified valid Tax clearance Certificate for above R30 000 YES NO N/A

6 SBD 4 form completed and attached YES NO N/A

7 SBD 8 form completed and attached YES NO N/A

8 SBD 9 form completed and attached YES NO N/A

9 SBD 6.2 form completed on Furniture or textile YES NO N/A

10 Certified BBBEE certificate YES NO N/A

11. Company registration certificate for payment above R30 000.00 YES NO N/A

12. 80/20 Evaluation process done for payment above R30 000.00 YES NO N/A

Signature: [Signature] Date: 12/04/2017

STAGE FOUR (Programme manager)

1. Three quotations attached YES NO N/A

2. Verify validity of contract/Amount within the original contract amount YES NO N/A

3. Variation approved by the HOD YES NO N/A

Signature: [Signature] Date: 19/04/17

STAGE FIVE (Budget Control Unit)

1. Correctness of allocation code verified YES NO N/A

2. Availability of budget & cash-flow verified YES NO N/A

Signature: [Signature] Date: 12/04/17

STAGE SIX (Asset Management)

1. Confirmation of Asset Item Code allocation YES NO N/A

2. Confirmation of Asset classification. (Minor) YES NO N/A

3. Confirmation of Asset classification. (Capital) YES NO N/A

Signature: [Signature] Date: 12/04/2017

ALN

B.M


sa express

we fly for you

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1627
South Africa
www.flyexpress.aero

29 March 2017

Mr. B. Chuma
HOD: Community Safety and Transport Management
Tirelo Building
Mahikeng

RE: APPOINTMENT OF MAHIKENG AIRPORT MANAGEMENT COMPANY

Dear Mr. Chuma,

This is to inform you that SA Express has appointed and signed a Service Level Agreement with Mahikeng Airport Management Company as the management and ground handling company at Mahikeng Airport in accordance with the Agreement entered into between SA Express and the North West Department of Community Safety & Transport Management. This contract is effective 01 April 2017 and is valid for three years.

The subsidy as set out in Clause 6 (accompanied by ANNEXE "A") of the Agreement between SA Express and Department of Community Safety & Transport Management can now be paid over to Mahikeng Airport Management Company.

Yours sincerely,



Inati Ntshanga
Chief Executive Officer

PAID

Board of Directors: G N Mothema (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shelley* (Chief Financial Officer),
T Abrahams, B P B Diale, R Ntshane (India), J N Nkabinde, P Ramosebuti, G R Sibiye

* Company Secretary: M Gie
* Executive Director

South African Express Airways SOC Ltd
Co Reg No 1990/007412/30
VAT Reg No 4400140499

0078-0973-0001-0330

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BM3



BM 3

OK
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dc&tm

Department:
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PAYMENT FLOW AND QUERY SHEET

RECEIVING	
Ref No:	0580/2159 (Order/ID/Co no.)
NAME	Lellhagondla
SIGN	<i>[Signature]</i>
DATE	26/06/2017
<div style="border: 1px solid black; padding: 5px; text-align: center;"> DEPARTMENT OF COMMUNITY & SAFETY & TRANSPORT MANAGEMENT RECEIVED 2017 -06- 26 FINANCE DIRECTORATE </div>	

COMPLIANCE & PRE-AUDIT	
NAME	Navis
SIGN	<i>[Signature]</i>
DATE	2017/06/26
<div style="border: 1px solid black; padding: 5px;"> COMMENTS/QUERIES <div style="border: 1px solid black; padding: 5px; text-align: center; font-weight: bold;">COMPLIANCE</div> </div>	
<div style="border: 1px solid black; padding: 5px;"> SIGNATURE: <i>[Signature]</i> </div>	

REMITTANCE	
NAME	Agnes
SIGN	Ahokejane
DATE	27/06/17
<div style="border: 1px solid black; padding: 5px;"> COMMENTS/QUERIES </div>	
<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	

FILING	
File Ref No:	
NAME	1490150
SIGN	<i>[Signature]</i>
DATE	20/06/2017
<div style="border: 1px solid black; padding: 20px; text-align: center; font-size: 2em; font-weight: bold;">PAID</div>	

ALN

B.M

Franco (Jaguar)
 Rayman (Jaguar) with
 Department letter
 SLA
 12000.00
 100% of Rayman



REPUBLIC OF SOUTH AFRICA

2642851

NORTH WEST PROVINCE

N.W. M4

B : Payment Copy

ORDER

Supplier Code: 0221023

Order Number: 17155P000500

Registration Number: 276MMUNITY
SAFETY & TRANSPORT MANAGEMENT
P/ BAG X 19, MMABATHO, 2735
2017-06-21
PROVINCE OF THE NORTH WEST REPUBLIC OF SOUTH AFRICA REPUBLIC VAN SUID-AFRIKA

ADUTGEN

4 Impbia Str, Golfvies: Malikeng
Golf View

745

Subject to the conditions on the back hereof, please supply the under mentioned goods / services for which purpose a rail warrant is attached.

Deliver to		Rail Warrant Number	
Invoice to		FOR	
Postal Address		Order Date	20170621
Rail Station		Delivery Date	20170621
Telephone Number			

Item No.	Description / Allocation	Quantity	Units	Unit Price (inc. VAT)	Total Line Amount
	ROUTE MARKETING SUBSIDY FOR PILANESBURG INTERNATIONAL AIRPORT (AIRPORT OPERATIONS COST IN PILANESBURG)				
	1503044300193019000036000180002200058				15,550,000.00
	* END OF ORDER *				

COMPLIANCE

SIGNATURE: [Signature]

DEPARTMENT OF TRANSPORT, SAFETY & TRANSPORT MANAGEMENT
RECEIVED
2017-06-21
FINANCE DIRECTORATE

PAID

DB 1101406 Cheque Number	30-06-2017 Cheque Date	[Signature] Signature	Total of Order
I certify that on.....the above mentioned order has in every respect been properly executed, that the goods are correct according to specifications and that they have been received in good condition.		I certify that the above order is in agreement with the invoices, that the charges are according to contract agreement or tariff fair and reasonable and that payment can be made	
[Signature] Signature	Admin clerk Designation	20/06/17 Date	SA Designation
			2017/06/26 Date

A L N B.M

DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

308.

PROCUREMENT REQUISITION/CONTROL FORM				
DIRECTORATE: 30019		REQUISITION NO: 30019-6		
Pilanesberg Airport Management Company P. O. Box 4587 Mmabatho		TENDERS AND/OR QUOTATIONS		
2735		SUPPLIER 1 Pilanesberg Airport	SUPPLIER 2	SUPPLIER 3
DESCRIPTION OF GOODS/SERVICE(S) Part 1	QUANTITY	R	R	R
Route Marketing Subsidy for Pilanesberg International Airport		15 550 000.00		
Airport Operations cost				
In Pilanesberg				
<i>for Traffic & Hanger Subsidy</i>		15 550 000.00		
REQUESTED BY: D. BAKGAKI TEL: 018 385 1059				
ACCOUNTING CONTROL KEY		BUDGET		
SEGMENT TYPE	CODE	BUDGET		
ITEM (I)	03044	ORIGINAL BUDGET	93 560 000.00	
OBJECTIVE (O)	30019	EXP. TO DATE	73 850 000.00	
RESPONSIBILITY (R)	30190	COMMITMENT	0.00	
FUNDS (F)	00038	BALANCE	19 710 000.00	
PROJECT (P)	00018	EXPENDITURE APPLIED	15 550 000.00	
ASSETS (A)	00022	AVAILABLE BUDGET	4 160 000.00	
REGIONAL IDENTIFIER (M)	00058			
INFRASTRUCTURE	00094			
PREPARED BY (FULL NAME): BAKANG MATILO		LOGISTIC CONTROL OFFICE		
SIGNATURE: <i>[Signature]</i>		LOGISTIC OFFICIAL		
TEL NO: 014 552 126		FULL NAMES: <i>Onthamebe Tlope</i>		
DATED 31/05/2017		SIGNATURE: <i>[Signature]</i>		
APPROVED BY: <i>[Signature]</i>		DATE: <i>21/6/2017</i> TEL NO: <i>8414</i>		
SIGNATURE: <i>[Signature]</i>		PART 4		
TEL NO: 016 385 1059		ORDER NUMBER: <i>05E017159P</i>		
DATED 31/05/2017		LOGISTIC APPROVAL		
AUTHORISATION BY BUDGET CONTROL OFFICE		FULL NAMES: <i>Carol Motshabane</i>		
BUDGET AVAILABLE: <i>Yes</i>		SIGNATURE: <i>[Signature]</i>		
FULL NAMES: <i>Thane Ellen</i>		DATE: <i>20/06/21</i> TEL NO: <i>8414</i>		
DATE: <i>2/6/17</i>		BUDGET CONTROL OFFICE		
TEL NO: <i>8414</i>		2017-06-12		
PART 2		BUDGET APPROVAL STAMP		
APPROVED BY: HOD/CEO/SCM/DFM		APPROVED SIGNATURE: <i>[Signature]</i>		
FULL NAMES: <i>B. M. M. M.</i>		PROVINCE OF THE NORTH WEST		
SIGNATURE: <i>[Signature]</i>		REPUBLIC OF SOUTH AFRICA		
DATE APPROVED: <i>14/06/17</i>		REPUBLIEK VAN SUID AFRIKA		
TEL NUMBER: <i>018 385 1059</i>		PART 5		
DISTRIBUTION OF GOODS		DISTRIBUTED BY (SIGNATURE):		
FULL NAMES:		FULL NAMES:		
DATE:		DATE:		
RECEIVED BY (SIGNATURE):		RECEIVED BY (SIGNATURE):		
FULL NAMES:		FULL NAMES:		
DATE:		DATE:		

NB Requisition for purchase/service will not be processed unless the above details have been properly filled

A.L.N B.M.



2nd Floor
E Block Offices
Airways Park
1 Jones Road
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F: +27 (0)11 978 5578

P O Box 101
OR Tambo International Airport
1627
South Africa
www.flyexpress.co.za

The Director
Koroneka Trading and Projects
No. 22 NWDC Building
1st Street Industrial Site
Mafikeng, North West

13 March 2017

Dear Ms. Babadi Tlatsana

**Re: TERMINATION OF STANDARD GROUND HANDLING AGREEMENT BETWEEN
KORONEKA TRADING & PROJECTS AND SA EXPRESS**

This letter serves as confirmation of termination for standard ground handling services at
Pretoria International Airport. The agreement shall terminate on the **31 March 2017**.

Please liaise with the newly appointed airport management company.

Yours faithfully,

Inati Ntshanga
CEO

Board of Directors: G N Mkhema (Chairperson), J Ntshanga (Chief Executive Officer), M R Sneyd (Chief Financial Officer),
T Aarshani, S P B Dlamini, R Makhanya (Indag), J N Ntshanga, P Ramosebuthe, G R Shiba

Company Secretary: M Gae
* Executive Director

PAID

South African Express Airways SOC Ltd
Co. Reg. No. 1996/009123/2
VAT Reg. No. 4400140489

Tax Invoice



Halcyon (PTY) LTD to Ppretoria Airport Management Company
 Address: 21 Main Street, Noordhoek Building, 2nd Floor, Office #8
 Postal: PO Box 4587, Mmabatho, North West, 2735
 Email: ppretoria@ppretoria.com
 Cell: +27 78 092 8888

Client Details					
Client Name	Northwest Department of Community Safety & Transport	Start Date	22-May-2017	Invoice No	1
Client Phone	0183819100	End Date	22-May-2017	Account No	NWCST001
Client Address	Safety House 31324 Molopoe Road, Mahikeng, 2735	Supplier No		Invoice Date	22-May-2017

Qty/Hrs	Item	Description	Rate	Total
1	Service	Route Marketing Subsidy	4,550,000.00	4,550,000.00
1	Service	Airport Operations Cost	11,000,000.00	11,000,000.00

Banking Details

Bank Name: FNB
 Branch: Mahikeng
 Branch Number: 240340
 Account Type: Business Cheque
 Account No: 626 8995 2317
 Account Name: Halcyon (PTY) LTD
 Ref: Client Invoice Number

Subtotal	ZAR 15,550,000.00
VAT	ZAR 0.00
Total	ZAR 15,550,000.00
Deposits	ZAR 0.00
Balance Due	ZAR 15,550,000.00



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sa express
we fly for you

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Airways Park
1 Jones Road
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F: +27 (0)11 978 5578

P O Box 101
OR Tambo International Airport
1627
South Africa
www.flysaexpressaero

24 March 2017

Pilanesburg Airport Management Company
21 Main Street
Noordhoek Building
Mahikeng
2725

RE: APPOINTMENT OF MANAGEMENT COMPANY FOR PILANESBURG INTERNATIONAL AIRPORT

Dear Ms Dube

We confirm that we have appointed Halcyon (Pty) Ltd T/A Pilanesburg Airport Management Company to manage Pilanesburg Airport effective 16 April 2017. SA Express and Pilanesburg Airport Management Company shall enter into a Service Level Agreement for the duration of the contract

Yours sincerely,

Inati Ntshanga
Inati Ntshanga
Chief Executive Officer

Board of Directors: G N Mothema (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shelley* (Chief Financial Officer),
T Abqham, B P B Dube, R Ntshang (India), J N Ntshanga, P Ramosebudi, G R Sibiya

Company Secretary: M Ge
* Executive Director

South African Express Airways SOC Ltd
Co Reg No 1990/007412/30
VAT Reg No 4400140499

A.LN B.M



we fly for you

2nd Floor
E Block Offices
Airways Park
1 Jones Road
T: +27 (0)11 978 8900
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P O Box 101
OR Tambo International Airport
1627
South Africa
www.flyexpress.co.za

24 March 2017

Mr. Bhuti Chuma
Acting HOD: DCS and TM
Department of Community Safety and Transport Management
Mahikeng Airport
Bray Road
Mahikeng
2725

**RE: APPOINTMENT OF MANAGEMENT COMPANY AND MANAGEMENT COMPANY
SUBSIDY**

Dear Mr. Chuma

As per the letter sent to you, we confirm that we have appointed Halcyon (Pty) Ltd T/A
Pitaneburg Airport Management Company to manage Pitaneburg Airport effective 16 April 2017.
We would like to request that all subsidies moneys due be settled accordingly.

Yours sincerely,


Inati Ntshanga
Chief Executive Officer

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Board of Directors: G N Mthembu (Chairperson), I Ntshanga* (Chief Executive Officer), M R Shwile* (Chief Financial Officer),
T Abrahams, S P S Cibele, R Ntshani (Ingq), J N Ntshande, P Ramosebudi, G R Sibya

Company Secretary: M Ge
* Executive Director

South African Express Airways SOC Ltd
Co Reg. No. 1980/00741230
VAT Reg No. 4400140498

DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

PROCUREMENT CHECKLIST

SUPPLIER NAME: Hydrogen (Pty) Ltd

FILE NO

ORDER NUMBER: OSF06 17159P

P

NB: The user is required to tick the appropriate box and sign the checklist.



STAGE ONE (Demand Unit)			
Verification of goods/services required as per procurement plan	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
Description <u>Route Marketing Subsidy for Planesberg Inter Airport in Planesberg.</u>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
Signature: <u>[Signature]</u>		Date: <u>01.06.2017</u>	

STAGE TWO (Acquisition Unit)			
1. Verify validity of contracts	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
2. If YES check if the quotation is as per the contract terms, conditions and pricing	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
Signature: <u>[Signature]</u>		Date: <u>02/06/2017</u>	

STAGE THREE (ACQUISITION MANAGEMENT)			
1. Obtain minimum number of three quotations	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
2. Pro quote quotations	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
3. Manual quotations	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
4 Deviation attached for less than three quotations	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
5 Verified the tax status on the SARS website/Original or certified valid Tax clearance Certificate for above R30 000	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
6 SBD 4 form completed and attached	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
7 SBD 8 form completed and attached	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
8 SBD 9 form completed and attached	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
9 SBD 6.2 form completed on Furniture or textile	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
10 Certified BBBEE certificate	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
11. Company registration certificate for payment above R30 000.00	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
12. 80/20 evaluation process done for payment above R30 000.00	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
Signature: <u>[Signature]</u>		Date: <u>2017/06/12</u>	

STAGE FOUR (Programme manager)			
1. Three quotations attached	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
2. Verify validity of contract/Amount within the original contract amount	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
3. Variation approved by the HOD	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
Signature: <u>[Signature]</u>		Date: <u>02/06/2017</u>	

STAGE FIVE (Budget Control Unit)			
1. Correctness of allocation code verified	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
2. Availability of budget & cash-flow verified	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
Signature: <u>[Signature]</u>		Date: <u>12/06/17</u>	

STAGE SIX (Asset Management)			
1. Confirmation of Asset Item Code allocation	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
2. Confirmation of Asset classification. (Minor)	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
3. Confirmation of Asset classification. (Capital)	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
Signature: <u>[Signature]</u>		Date: <u>12.06.2017</u>	

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STANDARD SERVICE LEVEL AGREEMENT

ANNEX B - LOCATIONS, AGREED SERVICES, FACILITIES AND CHARGES
to the Standard Service Level Agreement

Between

SOUTH AFRICAN EXPRESS AIRWAYS SOC LIMITED

Registration Number: 1990/007412/30

(Hereinafter referred to as "the Carrier")

And

Halcyon (Pty) Ltd

T/A Pilanesburg Airport Management Company

Registration Number: 2011/115752/07

(Hereinafter referred to as "the Handling Company")

This Annex : B1.0
for the location : North West Province Airport Operations – Mahikeng
is valid from : 15 April 2017 until 15 April 2020
and replaces : Nil

1 RECORDALS

- 1.1 **SOUTH AFRICAN EXPRESS AIRWAYS SOC LIMITED** is a state owned company duly incorporated in terms of the company laws of the Republic of South Africa, having its principal place of business situated at 2nd Floor, E Block, Airways Park, Jones Road, Kempton Park, Republic of South Africa.

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1.2 Halcyon (Pty) Ltd T/A Pilanesburg Airport Management Company
is a private company duly incorporated in terms of the company laws of the Republic of South Africa, having its principal place of business situated in North West Province, Republic of South Africa.

2 PREAMBLE

This Annex is prepared in accordance with the simplified procedure whereby the Parties agree that the terms of the Main Agreement and Annex A of the SGHA of January 2013, as published by IATA shall apply as if such terms were repeated here in full, unless amended by the provisions of this Annex, in which case the provisions of this Annex shall prevail. Both parties confirm they are familiar with the aforementioned Main Agreement and Annex A.

The parties hereby record their agreement that the Handling Company will provide Ground Handling services to the Carrier at the location set out in the relevant Appendices attached hereto.

3 GENERAL

3.1 The Carrier and the Handling Company agree to give the highest importance to the compliance to all applicable laws and regulations governing their activities and expects its agents and contractors to do the same. Of particular concern are laws relating to anti-bribery, anti-trust and labour relations (including but not limited to the prohibition of child labour).

3.2 The Handling Company shall comply at all times with and shall ensure that its employees, subcontractors and agents comply with:

3.2.1 All laws and regulations applicable in its country of establishment and all other countries in which services are provided under this Agreement;

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3.2.2 Applicable IATA and/or ICAO and/or other governing rules, regulation and procedures;

3.2.3 All international treaties and regulations that apply in general to commerce and in particular to the operation of aircraft, transportation of passengers and air freight or mail.

3.3 The Carrier and the Handling Company shall ensure that their respective personnel assigned to the performance of this Agreement are aware of all relevant legislation applicable to commerce in general, aircraft operation, passenger transportation and air freight.

3.4 Further, the Carrier and the Handling Company shall ensure that all their respective employees assigned to the performance of this Agreement where applicable, are made aware of the essentials of rules and/or regulations governing competition, antitrust, bribery, kick-backs, secret commissions and payments to government officials in its country of residence, establishment as well as such regulations with extraterritorial applications.

4 PROVISION OF SERVICES

4.1 The services will be made available within the limits of possibilities of the Handling Company and in accordance with the applicable IATA and/or ICAO and/or other governing rules, regulations and procedures.

4.2 It is not considered necessary or possible to specify every detail of the services to be rendered in terms of this Agreement it being generally understood what such services are and the standards to be attained in their performance.

5. HANDLING COMPANY'S WARRANTIES

5.1. The Handling Company warrants the Carrier that -

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5.1.1 It will discharge their obligations under this Agreement with all due skill, care and diligence;

5.1.2 for the duration of this Agreement, it shall maintain the B-BBEE status it had upon its appointment by the Carrier to provide the Services;

5.1.3 It will be solely responsible for the payment of remuneration of the Personnel and associated benefits, if any, and for withholding and remitting income tax for its Personnel in conformance with any applicable laws and regulations;

5.1.4 It understands and accepts that within the Carrier operational environment, strict safety operational controls, measures, policies, rules, laws, processes and procedures apply. The Handling Company will ensure full compliance at all times and it will ensure that maximum care and attention is exercised for the safety of all concerned.

6 DOCUMENTS FOR GROUND HANDLING

Documents used for ground handling will be the Handling Company's own documents, where applicable, provided these documents comply with standardised formats that may apply under IATA and/or ICAO and/or other governing rules, regulations and procedures.

7 SCHEDULED FLIGHTS

7.1 The Handling Company agrees to provide, for the Carrier's Aircraft for flights operating on an agreed schedule at the agreed location.

7.2 The Carrier, in turn, agrees to inform the Handling Company as soon as possible about any changes of schedule and/or frequencies and/or types of aircraft. Such notification must be in writing and provided to the Handling Company not less than seven (7) days in advance, unless the changes relate

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to irregular operations, wherein the Carrier shall inform the Handling Company as soon as it becomes aware of the situation.

8 EXTRA FLIGHTS

The Handling Company will also provide the services to the Carrier's aircraft for flights, in addition to the agreed schedule, at the same locations, provided that 48 (forty-eight) hours prior notice is given and the provision of such additional services will not prejudice commitments already undertaken by the Handling Company.

9 PRIORITY

9.1 In case of multiple handling of the Carrier's flights, the Carrier shall inform the Handling Company in writing, which flights to prioritise, between scheduled, non-scheduled and irregular operating flights and shall exempt the Handling Company from any impact on service level obligations that may result directly from the Carrier's election in this regard.

9.2 Flights that operate by more than one hour (1HR) from their scheduled departure or arrival time will be considered "out of schedule" and handled as such.

10 EMERGENCY ASSISTANCE

10.1 It is the responsibility of the Handling Company to participate in local emergency response plan(s) in order to provide support to the Carrier in event of an emergency including but not limited to, forced landing, accidents or acts of violence. The Carrier will contact the Handling Company to establish the carrier's needs in an emergency and provide the Handling Company its current emergency procedures. In the absence of the Carrier's instructions, in part or whole, the Handling Company shall follow its own emergency response plan(s).

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10.2 In case of emergency, the Handling Company shall without delay activate its local emergency plan(s) which includes the immediate notification to the Carrier and establish open-line communications with the Carrier. The Handling Company shall take all reasonable measures to assist passengers, crew and family members and to safeguard and protect baggage, cargo and mail carried in the aircraft from loss or damage in co-operation with the relevant local authorities. All documentation and information pertaining to the emergency is the property of the Carrier and shall be held confidentially by the Handling Company, unless such documentation and information is specifically required by applicable law or by governmental or local authorities' regulations. The Carrier shall reimburse the Handling Company for expenses and disbursements incurred in rendering such assistance.

10.3 The Carrier shall reimburse the Handling Company at cost for any expenses incurred in rendering such assistance.

11 ADDITIONAL SERVICES

11.1 As far as reasonably possible, the Handling Company will, upon request, provide to the Carrier any additional services. Such services may be governed by special conditions and costs to be agreed between the Parties in writing, twenty four (24) hours before the event. Such services will consist of any request made by the Carrier not covered in the attached appendices.

12 PERSONNEL

12.1 The Handling Company shall recruit suitable personnel responsible for the provision of services, which shall consists of:

12.1.1 Three (3) Customer Service Agents (CSA); and

12.1.2 Three (3) General Workers.

12.1.3 Three (3) Cleaners/Gardeners

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12.2 The abovementioned personnel shall, with the assistance of the Carrier, receive ground handling training, to enable them to fully discharge their functions.

12.3 The Carrier shall provide the personnel with uniform, which will be issued once a year, in accordance with the Carrier's Uniform Policy.

13 OTHER LOCATIONS

In case of occasional flights of the Carrier's Aircraft to locations which are not designated in the present Agreement, where the Handling Company maintains a ground handling organisation, the Handling Company shall, on request, make every reasonable effort, subject to the means locally available, to furnish necessary services. The Handling Company shall charge the Carrier in accordance to the rates agreed to, in this Agreement.

14 FAIR PRACTICES

14.1 The Handling Company will take all practicable measures to ensure that sales information contained in the Carrier's flight documents is made available for the purposes of the Carrier only.

14.2 Neither Party to this Agreement shall disclose any information contained in this Agreement, and Annexure to third parties without the prior written consent of the other Party, unless such information is specifically required by law or by governmental or other applicable authorities' regulations, in which case the other Party will be notified accordingly.

15 SUB-CONTRACTING OF SERVICES

15.1 The Handling Company is entitled to delegate any of the agreed services to subcontractors subject to the Carrier's consent, which consent shall not be unreasonably withheld. It is understood that, in this case, the Handling Company shall nevertheless be responsible to the Carrier for the proper

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rendering of such services as if they had been performed by the Handling Company itself.

15.2 The Carrier shall not appoint any other company or organisation to provide the services which the Handling Company has agreed to provide by virtue of this Agreement, save where the Carrier has persistently complained about and documented in writing poor service delivery and such complaints were not heeded by the Handling Company within the required timeframes where such are detailed in the Service Level to be attached hereto.

15.3 The Handling Company shall under no circumstances charge the Carrier a mark-up fee for charges by the sub-contractor(s) to the Handling Company. The Carrier shall be liable only for the contracted costs with the Handling Company.

16 CARRIER'S REPRESENTATION

16.1 The Carrier reserves the right to assign a representative to oversee the provision of the services contemplated in this Agreement, at its own cost. Such representative(s) and representative(s) of the Carrier's head office may inspect the services furnished to the Carrier by the Handling Company pursuant to this Agreement, advise and assist the Handling Company and render to the Carrier's clients such assistance as shall not unreasonably interfere with the furnishing of services by the Handling Company.

16.2 The Carrier may, by prior written notice to the Handling Company and at its own cost, engage an organisation (hereinafter referred to as 'the Supervisor') to supervise the services of the Handling Company. Such notice shall contain a description of the services to be supervised. The Supervisor shall have the same authority as the Carrier's representative(s) defined above.

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16.3 Such assistance, when performed by the Carrier's representative(s) and/or Supervisor(s) will be the sole responsibility of the Carrier, unless requested by the Handling Company.

17 STANDARD OF WORK

17.1 The Handling Company shall carry out all services covered in this Agreement in accordance with the Carrier's written instructions and procedures, receipt of which must be confirmed in writing to the Carrier by the Handling Company.

17.2 In the case of absence of instructions by the Carrier, the Handling Company shall follow its own standard practices and procedures provided they comply with the applicable IATA and/or ICAO and/or other governing rules, regulations and procedures.

17.3 The Handling Company agrees to take all possible steps to ensure that, with regard to contracted services, the Carrier's Aircraft, crews, passengers and load receive preferential treatment over any other Carriers which the Handling Company might provide services to at the same location.

17.4 The Handling Company agrees to ensure that authorisations of specialised personnel performing services for the Carrier are kept up-to-date. If at any time the Handling Company is unable to provide authorised personnel as requested by the Carrier, the Handling Company shall inform the Carrier immediately.

17.5 The Handling Company shall ensure that the all technical equipment supplied for performing services for the Carrier is in good working condition at all times. Should the Handling Company be unable to provide the technical equipment as requested by the Carrier, the Handling Company shall inform the Carrier immediately.

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17.6 The Handling Company agrees to ensure that personnel performing services for the Carrier are provided with the necessary safety equipment i.e. goggles, earplugs, safety shoes, suitable clothing, rags, buckets, mops, etc.

17.7 The Carrier shall supply the Handling Company with sufficient information and instructions to enable the Handling Company to perform its handling properly.

17.8 In the provision of the services as a whole, due regard shall be paid to safety, security, local and international regulations, applicable IATA and/or ICAO and/or other governing rules, regulations and procedures in such a manner that delays and damage to the Carrier's Aircraft and load are avoided and the general public is given the best impression of air transport.

17.9 The Handling Company must report to the Carrier's representative immediately all loss of or damage, threatened or actual, to aircraft and loads noticed in the course of the handling or which in any other way comes to the knowledge of the Handling Company.

17.10 The Parties shall reach mutual agreement on the quality standards for any services, not excluding those covered by Sub-Article 15.1 above. Such quality standards for a specific location may form part of the applicable Annex B. The Handling Company agrees to take all reasonably possible steps to ensure that, with regard to contracted services, the agreed upon quality standards will be met.

17.11 The Carrier may at its own cost, by prior written notice, audit the designated services in the applicable Annexure. Such notice shall contain a description of the area(s) to be audited. The Handling Company shall cooperate with the Carrier and will undertake any corrective action(s) required.

17.12 In provision of the Services, the Parties agree to comply with any applicable data protection laws.

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17.13 The Handling Company shall be able to demonstrate a Safety Management System in use following IATA AHM610 and/or ICAO, local and international regulations, or other governing rules.

17.14 The Handling Company shall promote awareness and strive to achieve best practices in Environmental and Social Responsibility.

18. PERFORMANCE MEASUREMENT

18.1 Performance shall be measured by way of specific measurements, Carrier feedback and random sampling.

18.2 The Parties shall conduct annual reviews, to assess the performance of the Service Provider and renewal of the Agreement shall be subject to the outcome of such performance review(s).

19. PENALTIES

In the event of the Carrier experiencing delays which are wholly and solely attributable to the Handling Company, the Carrier shall be entitled to compensation in the form penalties set out in Table 1 below on the following conditions:

19.1 Penalties shall not apply when the aircraft is operating 25 or more minutes off Schedule.

19.2 Penalties shall apply when the delay is wholly and solely attributable to the Handling Company.

19.3 The Carrier shall give written notice to the Handling Company of its intention to exercise its rights in terms of this clause 19 within 48 hours of the incident and shall indicate the applicable penalty. The Handling Company shall raise a credit note on receipt and agreement to the said notice.

19.4 The delay penalties shall be set off from the Handling Company's monthly payment.

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19.5 Penalties (as per the table below) to be applied per incident.

Table 1

<u>Delay (Minutes)</u>	<u>Applicable Penalties</u>
11-20	20% of handling fee
21-30	30% of handling fee
31-40	40% of handling fee
41>	100% of handling fee

20 REMUNERATION

20.1 In consideration of the management Company providing the services, the North West Provincial Government agrees to pay to the Management Company the charges set out in the relevant Annex B hereto, including any additional expenditure incurred for providing the services referred to in this Agreement.

21 ACCOUNTING AND SETTLEMENT

21.1 The Handling Company shall invoice the Carrier monthly with the charges arising from the provision of the handling services listed in the relevant Annexure at the rates of charges set out therein or provided by the Handling Company to the Carrier in terms of this Agreement.

21.2 When invoicing the Carrier for services rendered in terms of this Agreement the Handling Company shall furnish the Carrier, where applicable, with supporting documentation duly signed by the Carrier's representative.

21.3 The Handling Company shall submit an invoice to the Carrier monthly and the Carrier shall make payment within thirty (30) days from date of receipt of invoice.

21.4 If the Carrier disagrees with any item(s) in the invoice submitted by the Handling Company, it may withhold payment only on that item(s) and shall

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effect payment on the remainder of the invoice, pending resolution of the disputed item. The Carrier shall communicate to the Handling Company its reason for withholding payment on an invoice item(s). The deadline for payment for any disputed item(s) will be deemed extended until fifteen (15) days after the resolution of such dispute. Both parties shall use best endeavours and utmost good faith to resolve such within thirty (30) days from date of short payment falling which the Handling Company may invoke the settlement of disputes process (Article 32 hereof).

22 LIABILITY AND INDEMNITY

22.1 All references in this clause referring to:

22.1.1 "the Carrier" or "the Handling Company" shall include their directors, employees, servants, agents and subcontractors;

22.1.2 "ground support equipment" shall mean all equipment used in the performance of ground handling services included in the relevant Annex hereto, whether fixed or mobile, and

22.1.3 "act or omission" shall exclude gross negligence and/or wilful misconduct.

22.2 Save where provided otherwise, the Carrier shall not make any claim against the Handling Company and shall indemnify it (subject as hereinafter provided) against any legal liability for claims or suits, including costs and expenses incidental thereto, in respect of:

22.2.1 delay, injury or death of persons carried or to be carried by the Carrier;

22.2.2 injury or death of any employee of the Carrier;

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22.2.3 damage to or delay or loss of baggage, cargo or mail carried or to be carried by the Carrier, and

22.2.4 damage to or loss of property owned or operated by, or on behalf of, the Carrier and any consequential loss or damage;

arising from an act or omission of the Handling Company in the performance of this Agreement unless done with intent to cause damage, death, delay, injury or loss or recklessly and with the knowledge that damage, death, delay, injury or loss would probably result.

- > **PROVIDED THAT** all claims or suits arising hereunder shall be dealt with by the Carrier; and
- > **PROVIDED ALSO THAT** the Handling Company shall notify the Carrier of any claims or suits without undue delay and shall furnish such assistance as the Carrier may reasonably require.

22.3 The Carrier shall not make any claim against the Handling Company in respect of damage, death, delay, injury or loss to third parties caused by the operation of the Carrier's aircraft arising from an act or omission of the Handling Company in the performance of this Agreement unless done with intent to cause damage, death, delay, injury or loss or recklessly and with knowledge that damage, death, delay, injury or loss would probably result.

22.4 Notwithstanding the provisions of sub-clause 22.1, in the case of claims arising out of surface transportation which is provided on behalf of the Carrier and is part of the operation of loading/embarking or unloading/disembarking and/or is covered by the Carrier's Contract of Carriage the Indemnity shall not exceed the limits specified in the said Contract of Carriage.

22.5 In the case of claims arising out of surface transportation which is not provided on behalf of the Carrier and/or is not part of the operation of loading/embarking or unloading/disembarking and/or is not covered by the

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Carrier's Contract of Carriage the waiver and indemnity herein contained shall not apply.

22.6 The Handling Company shall not make any claim against the Carrier and shall indemnify it (subject as hereinafter provided) against any legal liability for claims or suits, including costs and expenses incidental thereto, in respect of:

22.6.1 injury to or death of any employees of the Handling Company, its servants, agents or subcontractors; and

22.6.2 damage to or loss of property owned or operated by, or on behalf of, the Handling Company and any consequential loss or damage;

arising from an act or omission of the Carrier in the performance of this Agreement unless done with intent to cause damage, death, delay, injury or loss or recklessly and with knowledge that damage, death, delay, injury or loss would probably result.

22.7 Notwithstanding the provisions of clause 22.2.4 above, the Handling Company shall indemnify the Carrier against any physical loss of or damage to the Carrier's Aircraft caused by the Handling Company's negligent act or omission:

> **PROVIDED ALWAYS THAT** the Handling Company's liability shall be limited to any such loss of or damage to the Carrier's Aircraft in an amount not exceeding the level of deductible under the Carrier's Hull All Risk Policy which shall not, in any event, exceed USD 1,500,000.

22.8 For the avoidance of doubt, save as expressly stated, sub-clause 22.7 does not affect or prejudice the generality of the provisions of Sub-Article 22.2 including the principle that the Carrier shall not make any claim against the Handling Company and shall indemnify it against any liability in respect of any and all consequential loss or damage, save where same is a result of the Handling Company's gross negligence and/or wilful conduct.

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22.9 Furthermore, notwithstanding sub-clause 22.2.3, the Handling Company shall indemnify the Carrier against direct loss of or damage to the Carrier's cargo (excluding Mail) caused by the negligent act or omission by or on behalf of the Handling Company in the provision of the services and/or the supply of goods under this Agreement provided always that the Handling Company's liability shall be limited to as set out in article 22.3 of the Montreal Convention 1999 or any amendment to that Convention in force at the time of the loss or damage or to the actual compensation paid out by the Carrier, whichever is less. In any event, the total amount of a claim in terms of sub-clause 22.9 shall not exceed USD 1,000,000.

22.10 Any claim shall be submitted within the time limits set out in article 31.2 of the Montreal Convention 1999. For the avoidance of doubt, the liability of the Handling Company shall never exceed the liability of the Carrier.

23 CHARGES

23.1 The charges for the services shall be as set out in the Appendices and are based on the Carrier's existing schedule. Charges for other services not covered in the applicable Annexure will be agreed upon on an ad hoc basis.

23.2 All charges set out in this Agreement shall be adjusted annually based on the applicable South African Consumer Price Index (CPI) rate, as per www.statssa.gov.za, comprised of the average of the previous twelve (12) months CPI rate. The adjustment shall be effective on the annual anniversary date of this Agreement.

24 DURATION

24.1 Notwithstanding the date of signature, this Agreement shall commence on 15 April 2017 and shall remain in operation for five (3) years subject to the continued existence of the agreement between the Carrier and the North West Province, which if terminated, will result in the immediate termination

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of this agreement or unless terminated in accordance with the provisions of this Agreement or otherwise in accordance with the law.

24.2 This Agreement may be extended by written agreement of both Parties.

25 TERMINATION

25.1 The Carrier & the North West Provincial Government may terminate the agreement should the Handling Company not perform services to the agreed standards specified in the Service Level Agreement. The Handling Company will be granted 30 (thirty) days from date of written notification of the service level deviation to rectify it. Should the service level not be adequately improved within this period the Carrier may terminate the Agreement by giving one (1) calendar month written notice to that effect.

25.2 Termination by the Handling Company of all or any part of the services to be furnished requires 60 (sixty) days prior notice to the Carrier. In the event of part termination of services, consideration shall be given to an adjustment of charges.

26 APPLICABLE LAW

This Agreement shall be governed and construed in accordance with the laws of the Republic of South Africa.

27 ENTIRE AGREEMENT

This Agreement shall supersede any previous arrangements between the Parties governing the provision of services at locations referred in the relevant Appendices hereto. This Agreement contains all the express provisions agreed on by the parties with regard to the subject matter of the Agreement and the parties waive the right to rely on any alleged express provision not contained in this Agreement.

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28 NO REPRESENTATIONS

Neither party may rely on any representation, which allegedly induced that party to enter into this Agreement, unless the representation is recorded in this Agreement.

29 VARIATION, CANCELLATION AND WAIVER

No contract varying, adding to, deleting from or cancelling this Agreement, and no waiver of any right under this Agreement, shall be effective unless reduced to writing and signed by or on behalf of both parties.

30 INDULGENCES

30.1 If either party at any time breaches any of that party's obligations under this Agreement, the other party ("the aggrieved party") may at any time after that breach, exercise any right that became exercisable directly or indirectly as a result of the breach, unless the aggrieved party has expressly elected in writing or by clear and unambiguous conduct, amounting to more than mere delay, not to exercise the right; and shall not be stopped (i.e. precluded) from exercising its rights arising out of that breach, despite the fact that the aggrieved party may have elected or agreed on one or more previous occasions not to exercise the rights arising out of any similar breach or breaches.

30.2 If the aggrieved party is willing to relinquish that right, the aggrieved party will on request do so in writing.

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31 CESSION

Neither party may cede that party's rights or delegate that party's obligations without the prior written consent of the other party, which consent shall not be unreasonably withheld.

32 SETTLEMENT OF DISPUTES

32.1 It is recorded that a good relationship between the Parties is essential for the optimal achievement of the objectives of the Agreement and therefore the Parties agree and commit themselves to use best endeavours at all times to achieve speedy resolution of any matter or dispute arising in regard to implementation of this Agreement through engagement with each other.

32.2 Should any difference or dispute at any time arise between the Parties, the duly authorised Senior Officials of each Party shall meet within fourteen (14) days, or such period as the Parties may agree, from the date on which the dispute arose to resolve the dispute amicably.

32.3 Should the dispute not be resolved at such meeting, or extended meeting as the Parties may agree to in writing, then either of the Parties shall be entitled to refer the dispute to the Arbitration Foundation of Southern Africa (AFSA) to be determined by arbitration in terms of Arbitration Act 42 of 1965 as amended, such arbitration shall be held in Johannesburg.

32.3 The above provision shall however not preclude either Party approaching the High Court for urgent interim relief.

33 SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law but if any provision of this Agreement shall be unenforceable or invalid under the applicable law, such

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Invalidity or unenforceability shall not affect the other provisions of this Agreement, all of which shall remain in full force and effect.

34 CONFIDENTIALITY

Neither party shall under any circumstances divulge any information acquired as a result of this Agreement to a third party without the prior written consent of the other party to this Agreement. This provision will survive the expiry or early termination of this Agreement.

35 DOMICILIA CITANDI ET EXECUTANDI

The parties choose as their domicilium citandi et executandi for all purposes under this Agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature (including the exercise of any option), the following addresses:

SOUTH AFRICAN EXPRESS AIRWAYS:

Physical Address:

2nd Floor, Block E Offices
Airways Park, 1 Jones Road
OR Tambo International Airport

Postal Address: P. O. Box 101
O.R. Tambo International Airport
1627

Pilanesburg Airport Management Company

Physical Address: 21 Main Street, Noordhoek Building
Mahikeng
North West Province

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Postal Address:

36 FORCE MAJEURE

36.1 Notwithstanding any contrary provisions of this Agreement, no failure or omission by either party to carry out or observe any of the terms and conditions of this Agreement shall give rise to any claim by the other of them or any other party, or be deemed to be a breach of this Agreement, if same is caused by or arises as a result of force majeure, act of God, vis major or any act or direction of or limitation imposed by any governmental or statutory body, or war, strikes, civil commotion, riots, labour unrest, consumer boycotts, or any cause reasonably beyond the control of the party thus prevented from performing its obligations, provided, however, such party:

36.1.1 engages all its reasonable efforts to the extent reasonably possible to avoid and/or remedy such situation;

36.1.2 gives the other of them written notice of such situation as soon as possible after it becomes aware of the fact that such situation may arise or has arisen.

36.2 In the event of any cause reasonably beyond the control of the Carrier or Handling Company arising and preventing them or any one of them from carrying out their obligations in terms of this Agreement, such performance of obligations shall be suspended during such period of inability by either of them to perform its obligations under this Agreement, provided, however, that nothing herein contained shall extinguish, delay, or suspend the obligations of such party to liquidate all its outstanding liabilities under this Agreement which accrued or became due before the period of suspension, or which it is not prevented from discharging by the circumstances giving rise to the suspension. For the avoidance of doubt, lack of funds shall not constitute force majeure.

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36.3 During any suspension contemplated in 36.2, the party affected by such suspension shall be entitled to obtain the services and/or facilities of which it is deprived as a result of such suspension from any other person.

37 DEFAULT AND TERMINATION

37.1 An event of default shall occur if:

37.1.1 Any party fails to pay any undisputed amount that is due to another party in terms of this Agreement, and does not remedy such failure within 14 (fourteen) working days of receipt of written notice from such other party calling upon it to do so; or

37.1.2 Any party defaults in the performance of any other material provision of this Agreement, and such default continues for a period of 14 (fourteen) days (or such longer period as may reasonably be required to remedy such default) after receipt of notice from any other party calling upon it to remedy such default; or

37.1.3 Any party makes any general assignment for the benefit of its creditors or compromises with its creditors generally; or

37.1.4 Any party is placed under provisional or final liquidation or provisional or final judicial management; or

37.1.5 The license of either party to conduct its business is suspended or revoked.

37.2 Upon the happening of an event of default, the non-defaulting party may by written notice to the defaulting party either demand specific performance from the party in default, or cancel this Agreement, without prejudice to the non-defaulting party's right to claim damages from the party in default.

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38 LEGAL COSTS

Each party shall bear that party's own legal costs of and incidental to the negotiation, preparation, settling, signing and implementation of this Agreement.

SIGNED at PRETORIA on this 28 day of March 2017 in the presence of the undersigned witness.

AS WITNESS:

WITNESS 1. _____
 (WARRANTING HIS AUTHORITY TO SIGN)
 For: **SOUTH AFRICAN EXPRESS AIRWAYS SOC LIMITED**
 Name: Inat Ntshanga
 Designation: Chief Executive Officer

SIGNED at MAHLKENG on this 29 day of MARCH 2017 in the presence of the undersigned witness.

AS WITNESS:

WITNESS 1. _____
 (WARRANTING HIS/HER AUTHORITY TO SIGN)
 For: **Halcyon (Pty) Ltd T/A Pilanesburg Airport Management Company**
 Name: NOTHANO DUBE
 Designation: Director

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ANNEXURE 2 OF ANNEX B

**GROUND HANDLING & FACILITIES MANAGEMENT SERVICE LEVEL
AGREEMENT**

between

Halcyon (Pty) Ltd
T/A Pilanesburg Airport Management Company
Registration Number: 2011/115752/07
(hereinafter referred to as "the Handling Company")

and

SOUTH AFRICAN EXPRESS AIRWAYS (SOC) LTD
Registration Number: 1990/007412/30
(hereinafter referred to as "the Carrier")

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knowledge to perform their duties, execute the prescribed procedures and remain current.

9. OBSERVATION OF SAFETY

- 9.1 At all times the service delivery standards shall not compromise established international safety procedures.

10. PERFORMANCE MEASUREMENT

- 10.1 Performance will be measured by way of specific measurements, Carrier feedback and random sampling

HEADING	SERVICE	S/R*	TARGET
GENERAL	Liaise with local Authorities	S	100%
	Indicating that Handling Company is acting as Handling Agent for the Carrier	S	Clear Markings
	Inform interested parties concerning movements of Carrier's aircraft in accordance with the posting on FID boards etc	S	No delays Always Available
	On-time performance relating to activities controlled by the Service Provider. The said activities are identified by the delay codes set out (AHM 011)	S	99% Not more than 1% of the Carrier's delays will be attributed to the Handling Company
Passenger Handling		R	100%

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	Provide assistance to disabled and other passengers requiring assistance. Dealings with passengers will always be courteous, friendly and helpful. The requested service should be provided in less than 5 minutes of receipt of the request.		
Baggage Handling	Communication of Offloading of no-show passengers' baggage at least fifteen (15) minutes (Domestic) and twenty (20) minutes (Regional) prior to STD.	S	100%
Incident Reporting	Immediately upon occurrence.	S	100%

HEADING	SERVICE	S/R*	TARGET
IROPS Management	Manage Irregular operations at all stations	S	100%
Operations Management	<ul style="list-style-type: none"> Airport Facilities Management Airport Operations Management Operations Staffing Route Marketing Strategic Partnerships 	S	100%
Adhoc Services	<ul style="list-style-type: none"> Adhoc additional Services for 3rd party (NWPG) <ul style="list-style-type: none"> Security Service Fuel Contracting/ Management 	R	100%

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	<ul style="list-style-type: none"> • Fire Truck lease • Adhoc operational services 		
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* S = Standard Service R= On Request



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DATE: 27/06/2017
20001
RP007BS

CONTACT PERSON : MOOKI TONG
INSTALLATION DESCRIPTION: NW: COMM SAFETY & TRANSPORT MAN
LOCATION DESCRIPTION : NW: COMM SAFETY & TRANSPORT MAN

PAYEE NAME : PILANESBERG AIRPORT MANAGEMENT C
PAYMENT ADDRESS: P.O. BOX 4187, WABATHO, MAFIKENG
34 IMPALA STR, GOLFVIEW, MAFIKENG

0000

NW: COMM SAFETY & TRANSPORT MAN
PAYMENT STUB

PAYMENT STUB 27.06.2017_19.TXT

BAS
TIME: 20:23:08
PAGE 28

CONTACT TEL NO : 0182008184
DISBURSEMENT NO: 001101406
ACTION DATE : 30/06/2017

BANK NAME : FIRST NATIONAL BANK
BANK BRANCH : MAFIKENG 291
ACCOUNT TYPE: CURRENT
ACCOUNT NO : 62689952317

SOURCE DOC NUMBER	PURCHASE ORDER NUMBER	PAYMENT NUMBER	FUNCTIONAL AREA	USER	AMOUNT
051	05E017159P	002402460	AP	APWLKR	15,550,000.00
				TOTAL	15,550,000.00

PAYMENT WAS RE-ROUTED TO A CREDIT TRANSFER. NEW ACTION DATE: 30/06/2017. DISBURSEMENT NUMBER: 1101406.

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Department:
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



Pilanesberg International Airport,
Sun City Road
Mogwase, 2745
P.O. Box 1016, Mogwase, 0314
Tel: +27 (14) 562 1261

TRANSPORT OPERATIONS

Minutes of a meeting between DCS & TM and SA Express Airline held at Rustenburg Local Municipality Boardroom on the 06 October 2017 at 12H00

ITEM			
1. OPENING AND WELCOME			
The chairperson opened meeting by welcoming everybody who made all efforts to attend the meeting and inspired the committee the bible scripture form the book of James which says a, "The effectual fervent prayer of a righteous man availeth much".			
2. Introduction			
All members present were given opportunity to introduce themselves with attendance register been circulated for members to attach their Signatures.			
2.1Present:			
1. B Mofokeng	BM	HoD - Chairperson	(DCS&TM)
2. O Baikgaki	OB	Director	(DCS&TM)
3. S Padi	SP	Airport Manager PIA - Scriber	(DCS&TM)
4. Victor Xaba	VX	CEO	(SAX)
5. N Madavha	NM	Advisor to CEO	(SAX)
6. T Kunene	TK	Acting Manager Commercial	(SAX)
7. M Mochoele	MM	General Manager	(SAX)
8. D Allanby	DA	GM Operations	(SAX)
9. S Vilakazi	SV		(SAX)
10. D Nkosi	DN		(SAX)
11. I Makhubela	IM		(SAX)

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3. APOLOGIES : 1. M Dayel 2. M Letsholanyane 3. S Reiling																	

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	addendum and requested that same be forwarded again.		
6.1.1.2 Appointment of Koreneka Projects and Trading	Koreneka Projects and Trading was then appointed by SA Express to render ground handling services at Pflanesberg International Airport and the DCS &TM requested Koreneka to assist rendering cleaning and gardening services as well.		
6.1.1.3 Appointment of Valotech	Koreneka Projects and Trading services was then in 2016 terminated at Mafikeng Airport and a Managing Company called Valotech was appointed. Disagree	This matter is still under investigation by SAX and the name Valotech is corrected as Valotech. SAX to report on this matter in the next meeting.	
6.1.1.4 Service Level Agreement	The DCS & TM realized at a later stage the importance to be signatory to the SLA of the Managing Companies as the contract is between SA Express and Managing Companies but the managing companies are managed and provide services to the DCS &TM. DCS &TM then submitted SLA amendment proposal including some other legal matters to SA Express but never responded. SAX advised not to have received the addendum and requested that same be forwarded again.	The word claimed corrected to advised	
6.1.1.5 Appointment of current Managing Companies	<p>a) ROUCOMM was appointed by DCS&TM to manage and improve services of Mafikeng Airport and it then created a subsidiary called Mafikeng Managing Company (MAMCO) as airport managing company for Mafikeng Airport because Valotech services was terminated by SAX.</p> <p>b) Pflanesberg Managing Company (PAMCO) was then appointed by DCS&TM after receiving contract agreement from SAX and payment to render services was then effected. Disagree,</p> <p>c) Mr Balkgaki further informed the committee that it came as an instruction from EXCO to terminate services of Koreneka and Valotech.</p>	b) This matter is still under investigation by SAX	

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	<p>SAX withdrew the termination letter of Koreneka Project and Trading and the current status is that Koreneka is been suspended and under investigation. Disagree</p> <ul style="list-style-type: none"> • SAX advised that all appointment and terminations are being investigated and taken under legal advisement. • SAX suggested that a small team should be formed to unpack the existing SLA and the chairperson added in agreement that both parties must be represented by at least three members including legal personnel. • SAX were requested to report back on the position of Koreneka Projects and Trading. Disagree 	
<p>6.1.2 Route Marketing to increase flights in the province and extension to SADC and BRICS</p>	<ul style="list-style-type: none"> • Mr Baikgaki responded to this item by stating that to date an amount of R48 462 870.00 is been paid to managing companies for marketing and advertising routes but there is nothing to corroborate the spending. It is a concern from department that no marketing is taking place especially with regard to current existing routes. • SAX responded that there is a misunderstanding on this item, they were of the understanding that the route marketing is a task for the airport managing companies and DCS&TM. • Mr Baikgaki further highlighted that it is stipulated in the SLA that route marketing is the responsibility of managing companies assisted by SAX. • The Chairperson referred this matter, route marketing, to the Task Team to investigate and coin it accordingly. • The chairperson raised a concern that money paid already which no one can attest to will one day come back to haunt the NW/SAX partnership. 	<p>This matter is still under investigation by SAX</p> <p>R49m corrected to R48 462 870.00</p> <p>This matter is still under investigation.</p> <p>Still under investigation</p>

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<p>6.1.2.1 Route Expansion</p>	<ul style="list-style-type: none"> • Mr Madavha responded that the idea of expanding routes to other destinations is noble but need a lot of commitment of both parties. • HOD updated the committee on the accreditation of International Status. Currently international status is moving away from PIA to Mafikeng and requested the committee to continue marketing both airports. 	
<p>6.1.3 Flight Delays, Landing and Parking Fees</p>	<ul style="list-style-type: none"> • DCS&TM raised a concern that delay and cancellation of flights are still at high rate especially at PIA but acknowledged improvement at Mafikeng Airport. In Pplanesberg International Airport passengers are sometimes left stranded without any assistance after experiencing flight delay and/or flight cancellation and the airport does not have a refreshments or snacks cafeteria whereby passengers can buy some refreshments.. Those connecting flights at ORTIA are left in the dark and end up organising themselves their own transport without any refund even of tickets paid. • Mr Baikgaki stated that the SLA is that SAX will fly five days a week, Mondays to Fridays. A three days a week flights was to test the market and wanted to know when will this be adhered to as flight operations is only on Mondays, Wednesdays and Fridays. • The chairperson requested The Task Team to relook at the SLA on this matter and clarify as Annex C of the SLA states that the agreement is for three days per week and five days operations will be optional and at the discretion and the cost of SAX. • On landing, passengers and parking fees Airport Managers to prepare invoices for airport fees starting October 2016 and send to SAX for payment. • Payment of passengers fee must be included in the SLA to afford 	

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		<p>DCS&TM powers to charge the particular fees.</p> <ul style="list-style-type: none"> In closing of this the chairperson suggested the Task Team to develop a Standard Operating Procedure when dealing with SLA amendment. 	
6.1.3.1 Contract size of aircraft		<ul style="list-style-type: none"> It was stated that the use of CRJ 200 is an Exco resolution and should be adhered to though SAX requested to embark flight operation by testing the market by using a 30 passengers seater aircraft in Mafikeng to accommodate the market on the interim basis. It was suggested that for this matter to be recorded SAX must prepare a submission to EXCO accompanied by route assessment report which will be backed up by EXCO resolution. This exercise must be prepared for the submission to EXCO which will be held on the 15 November 2017. 	
6.1.4 Cancelled Flight between Pílanesberg and Mafikeng		<ul style="list-style-type: none"> Mafikeng Pílanesberg route is been cancelled due to apron rehabilitation at PIA and the North West Provincial Government Premier need reinstatement of the flight and marketing to take place. The route was not pronounced in the SLA but was made clear by the Premier to SAX. However Mr Baikgaki stated that passengers were not please with PIA - Mafikeng route sighting delays to their destinations. However SAX highlighted that this was never an agreed route. 	Matter is still under investigation by SAX and must form part of submission to EXCO.
6.1.5 Steering Committee Meetings and submission of reports		<ul style="list-style-type: none"> The committee suggested the name Steering Committee be changed to Task Team to pave way forward to re-draft the SLA and Terms and References. Mr Baikgaki was tasked to meet with COSATMA Legal Team to finalise exchanging of Terms and References to SAX as SAX has already responded to this matter. Mr Baikgaki then provided the SAX team with the letter of appointments and contract documents of airport managing companies and the proposed addendum from NWP. 	The Steering Committee name changed to Task Team.

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	<ul style="list-style-type: none"> The Task Teams will be composed of the following members. 		
	<p>1. DCS & TM</p> <ul style="list-style-type: none"> ➤ Director Transport Operations - Mr Baigaki to lead ➤ Airport manager- Mafikeng airport Mr Lucas Letsholonyane ➤ Airport manager – Pilesberg International airport - Mr Solly Padi ➤ Director Legal services - Mr Paul Namate ➤ Senior Legal Admin Officer - Mary Mogatusi <p>2. SA Express</p> <ul style="list-style-type: none"> ➤ Dorah Nkosi to lead ➤ Merriam Mochoele ➤ Lerato Brimer ➤ Dave Allanby ➤ Maureen Jacobs ➤ Jacque Back ➤ Isaac Makhubela 		
6.1.6 Action List	<ol style="list-style-type: none"> 1. Submit minutes to all for ratification 2. Review of SLA and submit to Exco 3. Task team to agree on what is to be reported by SAX to DCS&TM and how to prepare a report for the use of DCS&TM monthly reporting. 3. Airport Managers to collect records of landing, pax and parking fees for submission to SAX for payment. 4. DCS&TM to submit Terms and Reference to SAX as soon as possible. 		
6. Closure	<ul style="list-style-type: none"> ➤ On closing chairperson raised a concern that SAX has provided NWP with Ts & Fs as agreed and kept on reminding COSATMA to submit to them without any success. She then task Mr Baigaki to followup the matter with Departmental Legal Team. ➤ She further stated this is not a matter for COSATMA only but for the entire community of North West as government promises and commit 		

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	<p>to the communities excellent service delivery and must fulfill its promises.</p> <ul style="list-style-type: none"> ➤ That this kind of meeting should be held on monthly basis. ➤ SAX to provide DSC&TM with reports on the second of every month as required by Auditor General. ➤ And the next meeting will be announced. 		
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Minutes Scriber

Solly Padi

:Signature

Chairperson

Ms Botlhale Mofokeng
HoD - DCS & TM

:Signature

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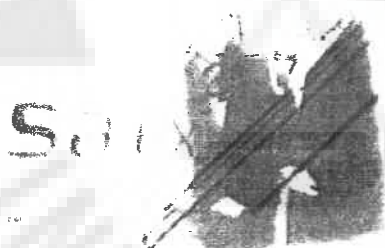


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**MAHIKENG AIRPORT MANAGEMENT COMPANY
SOUTH AFRICAN EXPRESS AIRWAYS (SAX)
OPERATIONAL REPORT**

Report for 2017/18 Financial Year

VISION MCC



MAHIKENG AIRPORT MANAGEMENT COMPANY
SOUTH AFRICAN EXPRESS AIRWAYS (SAX)

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1. Company Background

Mahikeng Airport Management Company (MAMco) is a professional entity consisting of aviation and business management experts focusing on *Airport Management, Aviation Strategies, Ground Handling, Flight Marketing and Aviation Training*. The company was initially created as special purpose vehicle to operationalize the Service Level Agreement (SLA) signed between our parent company, Roucomm Systems and the North West Provincial Government of the Republic of South Africa to *Operate, Manage and Develop the Mafikeng International Airport*. The scope of the SLA for Roucomm Systems delegated to MAMco covers both aeronautical and non-aeronautical services of the airport as well as management of facilities. Through associate companies, MAMco also manages an Aircraft Maintenance and Repairs Facility and Pilot Training Academy.

The company prides itself of being proudly from the historic town of Mahikeng, North West Province but has an international outlook, especially in Southern African aviation industry. Ownership and management of the company is 100 percent black and from historically disadvantaged backgrounds. In our short history of existence, we have established a strong presence and a rich network of contacts in the aviation industry both locally and abroad. We are currently managing one of the best equipped airports in South Africa with the Second longest runway of 4,6 Kilometres, Firefighting Classification of CAT5 and C Airspace Classification. The airport also boasts a well-equipped ATNS Tower, South African Weather Station, Airport Ground Lighting with 420m, Simple Approach Light System(SALS), Precision Approach Path Indicators (PAPI) lights and runway edge and end lights, Instrumental Landing System (ILS) CAT2 and a Fuel farm. The airport is also soon to be declared a port of entry after the national cabinet directed that the Pilanesburg Airport's International License be transferred to Mafikeng Airport.

We also manage a well-equipped aviation campus with hangars, students and instructors accommodation and teaching rooms. The academy is currently used for Pilot Training and Aircraft Maintenance and Repairs through third parties. The campus is planned to expand its offerings to include a satellite campus for the Denel Technical Academy. Our parent company, Roucomm Systems has already signed a Memorandum of Understanding with both Denel and North West Provincial Government to establish the Denel Technical Academy satellite campus.

Our main client at the Mafikeng Airport is the South African Express Airways(SAX) which has contracted MAMco for Ground Handling, Customer Service Desks and other Airline Auxiliary Services. We are also in partnership with reputable organisations such as the Airport Company of South Africa (ACSA) and Cranfield Aviation Academy both of which provides our company with unlimited access to professional support, technical assistance, accreditation and certification for our services. We also run a VIP lounge, Coffee shop and Shuttle for customers hospitality at our Mafikeng Airport. Some of our tenants include Bidvest Car Rental, Avis Rent a Car and Europcar.

The company has over 45 employees with various management and aviation skills and qualifications. The responsibility of the staff includes management of the facilities, operations, security supervision, cleaning and landscaping.

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2. Terms of Engagement

Mafikeng Airport Management Company (MAMco) was appointed by the South African Express Airways (SA Express) through a letter dated, 17 March 2017, and a Service Level Agreement dated 27 March 2017. The appointment is for a period of three (3) years being the residual contract duration of the Service Level Agreement entered into between SA Express the previous management company at the Mafikeng Airport. Broadly, the SLA appoints and empower MAMco to be a handling agent for SA Express for Ground Handling, Passenger Services, Ramp Services, Load Control, Communications and Flight Operations. The services are being offered in line with the Standard Ground Handling and Service level Agreement Simplified Procedures.

The appointment of a Management Company to support SA Express's operation at Mafikeng Airport is mandated by the Service Level Agreement between the Airline and the Department for Community Safety and Transport Management. In terms of Section 15 of the contract, the Department mandates the Airline to appoint a company responsible for managing the operations at Mafikeng Airport but remains liable for the payment to the company. The section further states that the Airline shall train the employees of the management company for purposes of development and skills transfer. The airline and the Management company are independently required to enter into a Service Level Agreement through which the management company shall be responsible for operational and other additional services as required and agreed with the Department and the Airline.

MAMco's appointment was effected after the termination of contract between SA Express and a management company that was appointed for the same service. Our appointment for this service was triggered by the existing Service Level Agreement between the Department for Community Safety and Transport Management and our parent company Roucomm Systems for the management, operation and management of the Mafikeng Airport. In terms of the SLA all existing contracted parties would be allowed to run their course after which all aeronautical and non-aeronautical services of the airport will be run by Roucomm Systems or its appointed agents. The appointment was effected after discussion and agreement between the Department for Community Safety and South African Express Airways in consideration of the primary contract that exists between the two parties which delegate to the airline the responsibility of appointing a management company.

In terms of the SLA, MAMco is the airline representative at Mafikeng Airport and identify themselves through its logo and system. SAX has also directly appointed and stationed its representative at the airport to work together with MAMco as a handling company. As part of the reporting agreement, MAMco compiles and send reports to the Airline on both weekly and monthly basis. The latter is done to enable the Airline to accordingly report to the Department for Community Safety and Transport Management as a contracting authority.

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3. Engagement with SA Express Executives for Handover Process

3.1 First engagement meeting with SA Express

A meeting was arranged with the management of SA Express that Ms. Maureen Jacobs, who is assigned to oversee the Mafikeng Station should offer onsite training for new MAMco staff. The training was indeed offered and the first day of operation commenced without hindrances.

3.2 Meeting with SAX Senior Managers to clear the issue of MAMco appointment

The takeover process by MAMco to manage the Mafikeng Airport was rocky with the previous company refusing to vacate office. For the first month we had two sets of personnel operating in the same office. The conflict emanated from the court challenge brought by the terminated company contesting their termination as illegal. Intervention was sought from SAX to instruct the terminated company to leave the office but they responded by saying we should handle the matter ourselves which we did. The matter is evidenced by an email sent on 24 April 2017 by the SAX General Manager of Flight Operations, Mr. Dave Allanby explicitly indicating that the removal of the other company from office does not fall within SAX ambit.

3.3 Scheduling of Meeting with Senior Managers of SA Express

On the 6th April 2018, Mr. Dave Allenby telephoned the CEO of MAMco enquiring about the take-over process but also indicating that he has not had sight of MAMco's appointment letter and the SLA. A meeting was then arranged for a thorough discussion wherein Ms. Mochoele – General Manager Legal, Risk and Compliance from SA Express would be present. From MAMco site, we undertook to furnish the two managers with the said documents for them to authenticate them before the day of the meeting scheduled for 10 April 2017. The said documents were sent through SAX's Ms. Maureen Jacobs and confirmed receipt by the two Senior Managers. Both parties also agreed to invite the Acting HOD for Community Safety and Transport Management to be part of the meeting noting that they are the primary appointing authority. The exchanged emails of 05 & 06 April 2017 testify to the facts.

3.4 Meeting with SAX Senior Managers to clear the issue of MAMco appointment

The scheduled meeting of 10 April 2017 took place at MAMco Head Office with Mr. Allanby, Ms. Mochoele, Mr. Letselela and Mr. Chuma in attendance. The SAX Managers indicated that their CEO has resigned effective from end of March 2017 and they have not had a briefing or documentation confirming MAMco appointment and therefore they needed to verify documentation and ascertain that the appointment was legitimate.

The matter was discussed and SAX representative realised that the problem was communication on their side. The Acting Head of Department, Mr. Chuma indicated that his department was fully engaged with SAX's Accounting Officer and all parties consented to the appointment. He explained the nature of the relationship between MAMco and the Department through its parent company Rocuomm Systems which is

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appointed to management, operate and develop the Mafikeng Airport. The matter was closed with parties having satisfied themselves on the issues of appointment. The email exchanged in the month of April 2017 between MAMco CEO and Dave Allanby copied to other SAX Executives bear testimony to the fact.

3.5 Site Visit by the SAX Acting CEO

On Wednesday, 04 October 2017 the SA Express Acting CEO visited our station and conducted a walkabout covering the landside, which includes the parking area, the Check-in counters including the HBS machines, brief interlude with the CSA Manager, Brief interaction with the Airport Support Manager and finally a walkthrough inspection of the VIP Lounge. During this visit he directed our General Manager to request the CEO of MAMco to contact him because he has not had sight of our SLA. A letter with the SLA was sent to him on 5 October 2017. In the letter we expressed our concern on this perpetual misplacing of the SLA with MAMco and an attempt to play ignorance to the availability of SLA between the parties. The strange thing is that MAMco is on fulltime basis managing their station, paying employees and provided SAX with reports which they used for their internal and external reporting but yet they always claim ignorance to the availability of the SLA. We found the conduct to be less than honest and have also reported this to the Contracting Authority.

3.6 Summary of Key Activities

The following table present a total statically reflection of our operational performance for the year under review.

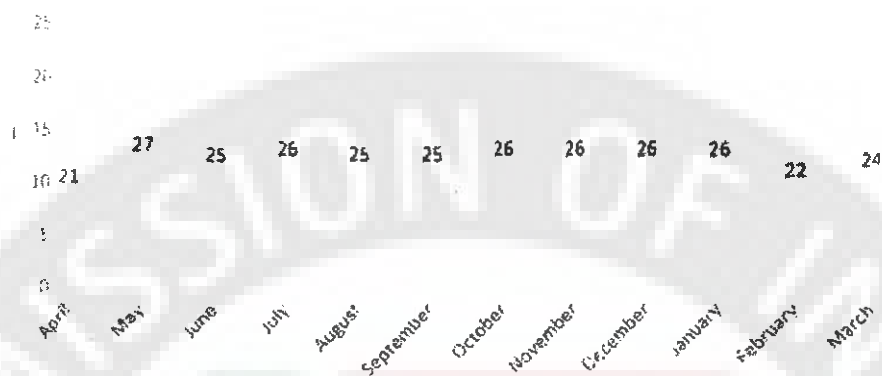
Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Flights Operated	21	27	25	26	25	25	26	26	26	26	22	24	299
Inbound Pax	298	405	380	391	372	375	393	404	320	343	316	356	4 353
Outbound Pax	316	361	404	368	376	371	445	390	354	306	306	364	4 361
Total Pax	614	766	784	759	748	746	838	794	674	649	622	720	8714
No-show Pax	52	27	21	30	32	10	26	20	12	8	5	36	279
Baggage	5	5	2	1	5	12	14	7	12	3	4	16	87
Delay time	3.32	11.3	9.49	20.46	5.11	6.22	5.36	10.4	4.0	49	22	11.5	88.33

The figures depicted could not be compared to previous year performance because no records could be secured of prior year performance. The residing of the figures in isolation is however pleasing and makes a strong case for possible growth of the service.

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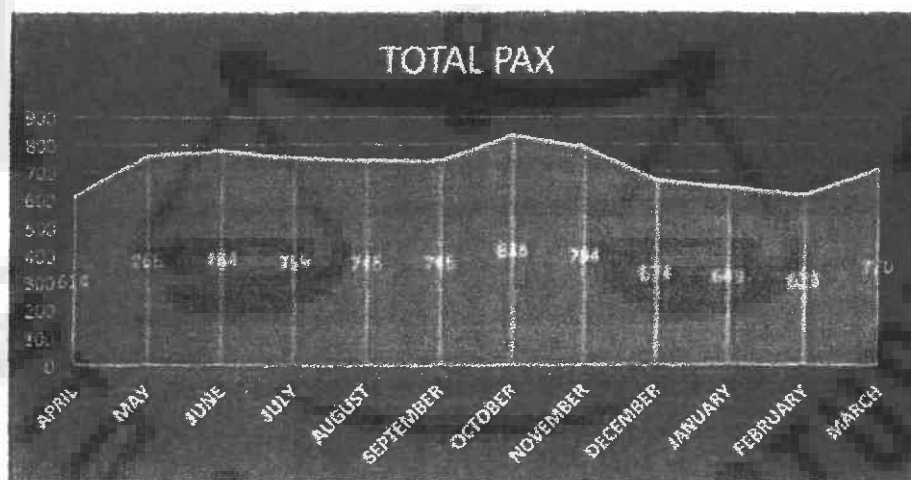
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(a) Operated flights



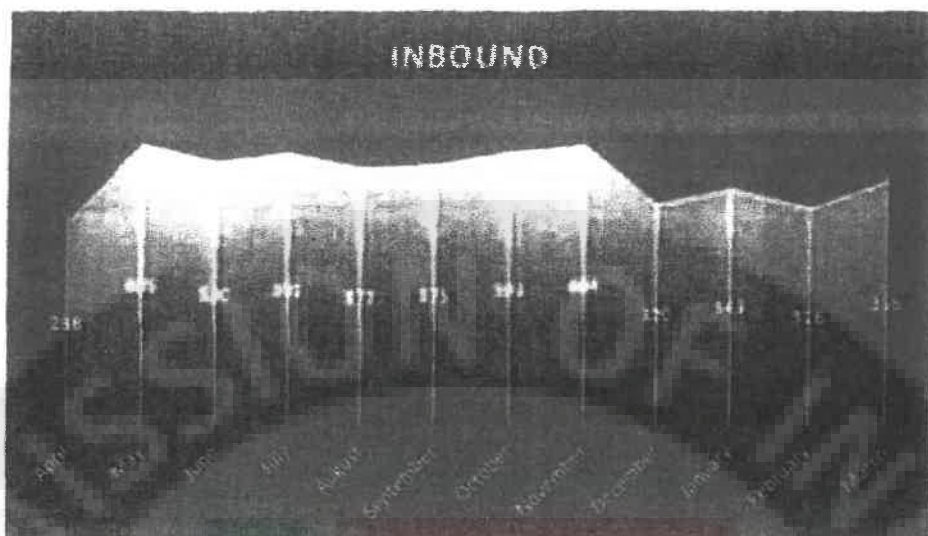
The following is an indication of total flights operated over the year under review per month. The current operating schedule is 12 flights per week on Mondays, Wednesdays and Fridays for mornings and afternoons. A total number of 299 flight operations were successfully conducted.

(b) Total Pax handled at the airport



The operation handled over close to 10 000 passengers over the 12 months under review. The peak month was October 2018 but the last four months of the financial year marked the lowest performance regarding total pax.

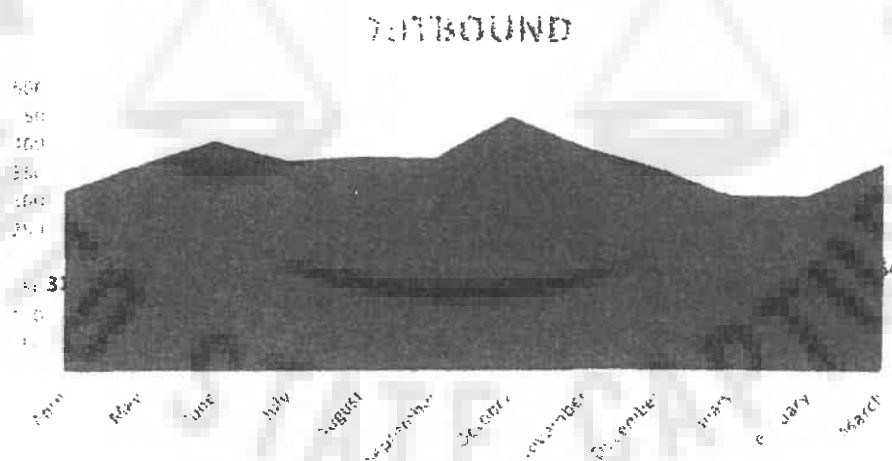
(c) Arriving Pax



The airport handled 4353 passenger departing with May and November marking the highest numbers. In addition to rendering normal check-in services we:

- Transported and provided passengers with disabilities with amenities such as wheelchair and wheelchair Ramp.
- Meet and Assist passengers.
- Unaccompanied minors.
- Infants.
- Elderly passengers.

(d) Departing Pax



Albert with a small margin, departing pax were more than arriving pax. In addition to rendering normal check-in services for disembarking we

- Received and assisted passengers with disabilities such as wheelchair and wheelchair Ramp
- Assist passengers to board
- Calmed and boarded unaccompanied infants and minors
- Assisted Elderly passengers

(e) Mishandled Baggage



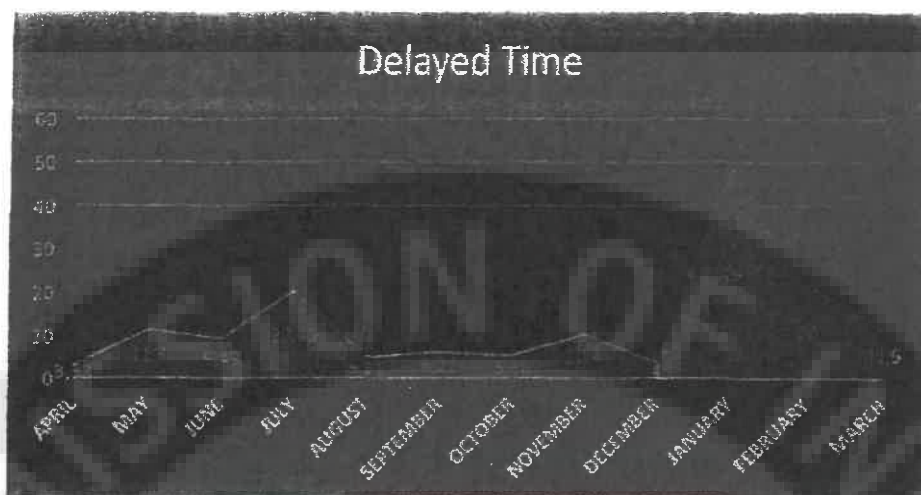
The following problems were encountered emanating from OR Tambo:

- Damaged baggage (DPR) Code
- Lost baggage (wrongly Tagged bags.)
- Denied Baggage due to weight problem on board the aircraft and these caused MAMCo to go collect the baggage in Jo'burg.
- Month of September, October and March we experienced most mishandled baggage due to no weight on Aircraft.
- MAMCo has sent their own service provider to collect those bags in the month of September and October

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(f) Delayed time



- Most of the flights got delayed due to later arrival of the incoming Aircraft (Rotation).
- At times bad weather in Mafikeng Airport caused cancellation of flights,
- In case of cancellation passengers were accommodated at the Protea Hotel.

4. Operational Matters

The following is a summary of operational activities over the last 12 months executed by MAMco team.

4.1 Annual Performance Indicators - Flight Operation

Performance Indicator 1: Number of Activated Boarding Times		
Planned target- 2017/18	Actual performance - 2017/18	Variance
282	275	7
Reasons on variance/challenges		
<ul style="list-style-type: none"> ▪ Easter & Freedom day in the month of April ▪ Worker's day in 01st May ▪ Youth day in June 16th ▪ Women's day on the 09th August ▪ Heritage's day on the 24th Sept. 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> ▪ Operating on holidays will always be a challenge given the availability of passengers 		

Performance Indicator 2: Adherence to Offloading Rule		
Planned target- 2017/18	Actual performance - 2017/18	Variance
100%	243	0
Reasons on variance/challenges		
<ul style="list-style-type: none"> ▪ No variance or deviation was recorded 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> ▪ Maintain optimum performance of the service and adherence to regulations 		

Performance Indicator 3: Staff Attendance for Operation		
Planned target- 2017/18	Actual performance – 2017/18	Variance
240	240	0
Reasons on variance/challenges		
<ul style="list-style-type: none"> No operational day was missed by MAMco 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> Will continue to improve quality of service 		

Performance Indicator 4: Staff uniform		
Planned target- 2017/18	Actual performance – 2017/18	Variance
7	6	1
Reasons on variance/challenges		
<ul style="list-style-type: none"> Still waiting for SAX to provide uniform for male Customer Service Agent. 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> Request for uniform has been submitted for male customer service agent MAMco has provided additional uniform for non-operational days 		

Performance Indicator 5: Training & Requalification		
Planned target- 2017/18	Actual performance – 2017/18	Variance
15	13	2
Reasons on variance/challenges		
<ul style="list-style-type: none"> Reservation and LERAP training outstanding from SAX 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> Waiting for training dates from SAX and MAMCo. Marshalling, Passenger Handling, SHE Rep, Aircraft Loading, Weight & Balance, Fire Fighter, Dangerous Goods, AVSEC, Airside Induction, Safety and Security Awareness, Human Factor, Verification of Travel Document, Airport Familiarisation. 		
NB. Due to failure by SAX to deliver on the contractual obligation to train employees for compliance, MAMco initiated and paid for the required training.		

Performance Indicator 6: Equipment Maintenance		
Planned target- 2017/18	Actual performance – 2017/18	Variance
8	8	0
Reasons on variance/challenges		
<ul style="list-style-type: none"> All goals where met 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> Additional equipment will be sourced in the new financial year to meet the envisaged increase in demand and use of the airport. 		

Performance Indicator 7: Apron Area Services		
Planned target- 2017/18	Actual performance – 2017/18	Variance
282	275	7
Reasons on variance/challenges		
<ul style="list-style-type: none"> Easter & Freedom day in the month of April 2017 Worker's day in 01st May Youth day in June 16th Woman's day on the 09th August Heritage's day on the 24th Sept. 		
Plans/Actions to overcome challenges		

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- Operating on holidays will always be a challenge depending on the availability of passengers.

Performance Indicator 8: Air Turn back		
Planned target- 2017/18	Actual performance – 2017/18	Variance
0	2	0
Reasons on variance/challenges		
<ul style="list-style-type: none"> • On the 24th Nov SA1125 flight turn back due to bad Weather in Mafikeng. On the 16th March SA1123 Flight turn back. 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> • Aircraft turn back is an unpredictable occurrence necessitated by safety concerns 		

Performance Indicator 9: Hospitality & Support		
Planned target- 2017/18	Actual performance – 2017/18	Variance
0	48	0
Reasons on variance/challenges		
<ul style="list-style-type: none"> • Flight delays 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> • Communicated with SAX regarding the delays. 		

Performance Indicator 10: Manoeuvring Area Services		
Planned target- 2017/18	Actual performance – 2017/18	Variance
282	275	7
Reasons on variance/challenges		
<ul style="list-style-type: none"> • Easter & Freedom day in the month of April • Worker's day in 01st May • Youth day in Jun • Woman's day on the 09th August • Heritage's day on the 24th Sept. 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> • Operating on holidays will always be a challenge given the availability of passengers. 		

Performance Indicator 11: Terminal Air Traffic Control Services		
Planned target- 2017/18	Actual performance – 2017/18	Variance
N/a	N/a	N/a
Reasons on variance/challenges		
<ul style="list-style-type: none"> • We can't access the information due to confidentiality 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> • We are constantly improving our relations with ATNS staff to ensure good working relations. 		

Performance Indicator 12: Stakeholder Relations		
Planned target- 2017/18	Actual performance – 2017/18	Variance
4	4	0
Reasons on variance/challenges		
<ul style="list-style-type: none"> • Stakeholder relations are sound 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> • We are constantly engaging stakeholders such as the Airport Authority, ATNS, Accommodation Facilities, Car Rentals to ensure sound working relations. • As and when there are emergencies requiring stakeholders they have always been willing to assist. 		

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Performance Indicator 13: Marketing		
Planned target- 2017/18	Actual performance -- 2017/18	Variance
16	8	8
Reasons on variance/challenges		
<ul style="list-style-type: none"> Lack of content support and approval from the contracting authority 		
Plans/Actions to overcome challenges		
<ul style="list-style-type: none"> A new marketing plan is completed for the new financial year and will be implemented in partnership with stakeholders. 		

4.2 Operational Team & Capacity

In terms of the agreement signed between SA Express and MAMco, the latter shall as a Handling Company recruit suitable personnel responsible for the provision of services, which shall consists of the Customer Service Agents and General Workers. The engaged personnel shall, however, with the assistance of the Carrier provide the recruits with ground handling training to enable them to fully discharge their functions. Over the period under review, over 50 people were given employment opportunities linked the contract. A substantial number of casuals and support staff also benefited through subcontracted companies.

The flight operation service is led by the Customer Service Agents (CSAs) as the face of the operations supported by the ground handlers. The CSAs act and present themselves as representatives of the Airline including wearing its branded uniform. The appointments are however done through the management company and in this case, MAMco appointed 4 agents in March 2017, namely:

- Ms. Agnes Mboni – Supervisor
- Mrs. Ntshabele Masha - CSA
- Ms. Neo Lesetedi – CSA
- Mr. Desmond Koloane – CSA

An additional trainee, Ms. Kealopa Tiholagae was added to the list to give her professional exposure. We deliberately appointed more persons as CSAs than the required three to both increase capacity and provide cover when others have to take leave. All CSAs were given in-house training to operate the systems and also professional training through Cranfield Aviation Academy and SA Express scheduled training.

The Ground handling staff provides the all-important support to the operations through baggage handling, aircraft marshalling and general assistant to passengers requiring special help. Effective from March 2017, about 3 ground handlers were appointed, namely:

- Mr. Geoffrey Maboi

- Mr. Mogakotodi Montshioa
- Mr. Tumelo Letselela

An additional person, Mr. Tumelo Moshweu, has been trained on ground handling to provide cover should any of the regular staff members be absent. Plans are afoot to increase the number of ground handlers in the new financial year to provide for increased capacity and cover for operational effectiveness.

4.3 Induction and Training

The MAMco team of Customer Service Agents, Baggage Handlers and General workers have all been provided with theoretical and practical training to not only enable them to execute their duties but also to comply with aviation regulations. The team received training from the following persons sent by the Airline:

- Ms. Maureen Jacobs
- Mr. Stephen Bezuidenhout
- Mr. Louis Van der Westhuizen

Our own Ms. Agnes Mboni has since the first day offered continuous on the job training and coaching to the new staff members using her experience of over 10 years in the industry.

MAMCo also arranged the following training for about 36 employees for the following courses offered by Cranfield Aviation Academy:

- Marshalling,
- Passenger Handling,
- SHE Rep,
- Aircraft Loading,
- Weight & Balance,
- Fire Fighter,
- Dangerous Goods,
- AVSEC,
- Airside Induction,
- Safety and Security Awareness,
- Human Factor,
- Verification of Travel Document,
- Airport Familiarisation

Further training for Aircraft Marshalling was arranged for about 6 members of staff offered by Lanseria Aviation Training Academy.

A highly qualified and experienced executive team was also put in place to guide staff on issues of compliance, auditing processes, use of reporting templates, and general orientation to corporate environment.

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4.4 Security Oversight

MAMco has also worked in partnership with the Department for Community Safety and Transport Management to ensure that the Airport remains security compliant for the Airline to operate. Part of our responsibility was to ensure a smooth transition of the change of security companies responsible for screening and overall guarding of the airport.

During the year under review, the security contract of White Leopards Security came to an end and a process of procuring a new service provider had to be undertaken. The process resulted with the appointment of Shaya Security Services who took over from August 2017. The commencement of the contract had many teething problems but we managed to overcome all the challenges and most importantly avoided any airport closures or airline grounding occasioned by security failures or non-compliance findings.

The parties are continuing to work together to ensure operational improvements and continued compliance. The security concerns are also being addressed at a higher level due to the preparations to designate the airport as a port of entry. A notice was sent to SA Express informing them of a process to designate the airport as a port of entry and the need to step up security to international level.

4.5 Renovations and Repairs

MAMco has upon takeover assessed the state of airport facilities including public amenities and found most of them in state of disrepair. In particular we were concern about many of the non-functioning ablution facilities, falling ceilings, dirt on carpets and tiles, broken doors and lack of taps for public water consumption. The state of disrepair was very difficult to comprehend given that funding was provided over two years prior to our taking over to specifically keep the facilities in good and functional state. The situation meant that we had to start from the beginning and address backlog repairs despite us only having a budget based on continued maintenance. The latter necessitated that we should find innovative ways and budget augmentation to address problems that otherwise should have been addressed in the first year of operation. The following activities were undertaken to address the problems found:

- o A full revamp of the airport sewer systems and replacement of all ablution facilities with new ones,
- o Addressing of water leaks, redesigning of the piping systems and making provision for public water taps,
- o Renovation of the VIP Lounge and Coffee shop addressing electrical problems and repainting of ceiling boards,
- o Repair and repacking of unused offices/rooms in the airport to have them in usable state,

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- o Renovation of kiosks and offices for use by third parties such as car rental companies, etc.
- o Repacking of storages around the aerodrome to ensure regulatory compliance of the airport,
- o Repairs and remarking of the driveways and pavements, and
- o Repair and preparation of lettable space for tenants.

4.6 Cleaning and Landscaping

In the year under review, MAMco appointed about 20 people on 3 year contracts for the terminal cleaning and landscaping around the airport. All the employees were properly inducted and offered compliance training to enable them to function in designated areas. The following activities were put in place to have functional systems in place:

- o All employees were properly contracted and equipped with uniform and protective clothing,
- o All employees were trained both internally and externally for both compliance and skilling to execute their duties,
- o Cleaning and landscaping equipment was acquired to enable job execution,
- o Specialised contractors/service providers were put on retainer for emergency and execution of specialised services,
- o Suppliers and service providers contracted for constant supply of required detergents, deep cleaning, waste disposal and other related matters,
- o The landscaping services were extended to ensure compliance in keeping the correct grass height along the runway, closing holes on the perimeter fencing and removal trees along the fence.

The whole airport is now very hygienic and the environment is well kept to meet the regulatory standards and provide a good ambience for airport users.

4.7 Stakeholder engagement

MAMco has upon assumption of duty created a conducive environment for stakeholder interaction and relations. An initial meeting was convened and chaired by MAMco to introduce all parties and discuss ways through which parties can support one another. Over the financial year, several meetings were held on a need basis but also direct interactions on individual managers levels to address issues as and when they arise. The following stakeholders attended meetings at one point or the other:

- Department for Community Safety and Transport Management as Airport Authority
- Air Traffic Navigation Services
- South African Weather Services
- South African Express Airways (Customer Service and Marketing Division)
- Mafikeng Local Council – Ward Councillor

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4.8 Hospitality and Marketing

In the year under review, MAMco developed a very comprehensive plan to market the services at the airport and improve the user experience of the airport facilities. A Marketing plan was developed and discussed with the SA Express Marketing Manager for buy-in. The latter was particularly important given that the whole marketing plan is based on and aimed at improving the use of the airline. The airport facility usage is secondary since people coming to the airport are primarily coming to use the airline. Despite number of meetings and reminders, SAX remain non-responsive to our proposal forcing us to scale down the plan and focus more on marketing the facility as an area which we have control over. The following marketing platforms were used:

- ⇒ Direct marketing at the airport to customers for use of coffee shop and lounging facilities,
- ⇒ Appearance of our marketing team at the provincial tourism marketing events,
- ⇒ Social media presence through Facebook and Website,
- ⇒ Advertisement in the local newspaper,
- ⇒ Articles covered by regional print and electronic media, and
- ⇒ Continuous advertisement in a regional radio station.

The above marketing efforts were well complimented by improvement of facilities at the airport leading to great reviews by patrons and spreading of the word in social and business circles. Our overall assessment is that even at the scaled down level, the marketing efforts paid off and we believe a solid foundation has been laid for a scaled up marketing plan.

5. Challenges

As with any nascent operations, there were quite a number of challenges encountered albeit not insurmountable. The following are some of the major challenges:

- Just a month or two into the operation, SAX became nonresponsive to most of our communiques leading to communication gaps and delays in implementation,
- Delay by SAX in installation of systems, upgrading of equipment and supply of uniform which remains incomplete to date,
- Failure by SAX to remit invoices of work done or products acquired on their behalf,
- Failure by SAX to accept its responsibility to settle MAMco's monthly invoices for ground handling and aircraft turning,
- Failure by SAX to make inputs and approve the comprehensive marketing plan,
- Failure by SAX to constantly report to the Department for Community Safety and Transport Management regarding the performance of the station,
- Constant delays by the aircraft leading to customer dissatisfaction, and
- Failure to increase flight operational frequency and increase destinations.

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We have, through letters and other means, tried to have some of the challenges raised above addressed. Further intervention was sought from the Department of Community Safety and Transport hoping that they will put in place mechanism to have a proper coordination of the contract extending to management companies.

6. Achievements

The initial year of operation for MAMco as a handling company can be heralded as a success. With not much experience and within a very short space of time, the company recorded, inter alia, the following achievements:

- ✓ Established from scratch, a solid operating vehicle which managed to render a 100 percent seamless services to SAX and its passengers,
- ✓ Revamped the airport and create a suitable ambience for clients and passengers,
- ✓ Appointed and trained more than 50 historically disadvantaged people who today have both certificates and experience to operate in an aviation regulated environment,
- ✓ Established hospitality services such as the MamCafé Coffee Shop and the VIP Lounge to ease the waiting period of passengers at the airport,
- ✓ Established an in-house service to collect and reunite lost baggage with passengers,
- ✓ Established a networking forum of stakeholders at the airport for better cooperation and improved service to the users,
- ✓ Secure reputable car rental companies for use by passengers,
- ✓ Worked with the security auditors for both SAX and CAA to ensure compliance at all times,
- ✓ Participated in meetings of Airline Association of Southern Africa (AASA) as part of our quest to get exposure and network with industry players,
- ✓ Co-hosted and project managed the 2017 Transport Investment Lekgotla on behalf of the Department for Community Safety and Transport Management, and
- ✓ Entered into a Memorandum of Association with the Airport Company of South Africa (ACSA) allowing us to access support on requisite expertise and partnership in project design and implementation.

It is our intention to build on the success recorded and ensure that in the next financial year we achieve even more.

7. Conclusion

This report attempted to summarises MAMco's contractual performance as a handling company contracted by SAX for the management of the Mafikeng Airport. It provides background on the engagement of the company, the establishment of the service, operational activities and statistics, challenges encountered as well as successes recorded over the 2017/18 financial year. It is worth noting that the report is not necessarily a contractual obligation given that MAMco has been submitting monthly reports to SAX. The report is compiled as part of our voluntary commitment to the values of accountability and transparency. The primary parties for which the report is intended are the South African Express Airways and the Department for Community Safety and Transport Management.

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8. Monthly Statistical Reports

1. April 17 – Flight Schedule Statistics

Mmabatho station (MBD) was serviced by a 30 seater aircraft CRJ ZS-SOB and ZS-TJB.

Standard operating times for our flights are as follows

- Morning landing time: 7h55 and departing time is: 08h20
- Afternoon flight landing time; 15h40 and departing time 16h10

In most cases the flights were delayed due to rotation and these impacts badly on clientele and revenue.

Arrival

[illegible]

NB: Flight schedule was changed due to public holidays, 14 and 17 April 2017 was no operation on flight SA1123/SA1124 due to Easter holiday.

Reason for these delays was stated as "rotation".

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Departure

Date	Flt no	Landed	Chock on	Pax in	Flt no	Chock off	Pax out	Delay time
03/04	SA1125	15:40	15:44	21	SA1126	16:01	8	
05/04	SA1125	15:55	15:59	15	SA1126	16:20	25	15min
07/04	SA1125	16:26	16:30	16	SA1126	16:52	31	46min
Total				52			64	61min
10/04	SA1125	15:45	15:49	10	SA1126	16:13	20	5min
12/04	SA1125	15:46	15:50	15	SA1126	16:07	10	6min
13/04	SA1125	14:48	14:51	13	SA1126	15:13	19	
Total				38			49	11min
17/04	SA1125	15:35	15:40	16	SA1126	16:08	26	
19/04	SA1125	15:47	15:50	8	SA1126	16:11	17	2min
21/04	SA1125	15:45	15:48	13	SA1126	16:01	14	
Total				37			57	2min
24/04	SA1125	15:33	15:36	12	SA1126	16:05	17	
26/04	SA1125	15:52	15:55	20	SA1126	16:18	11	12min
28/04	NO OPS				NO OPS			NO OPS
Total				32			28	12min
Grand total				159			198	1h26min

NB: Flight schedule was changed due to Freedom day on the 27 April 2017 and no operation on SA1125/SA1126 for the 28 April 2017

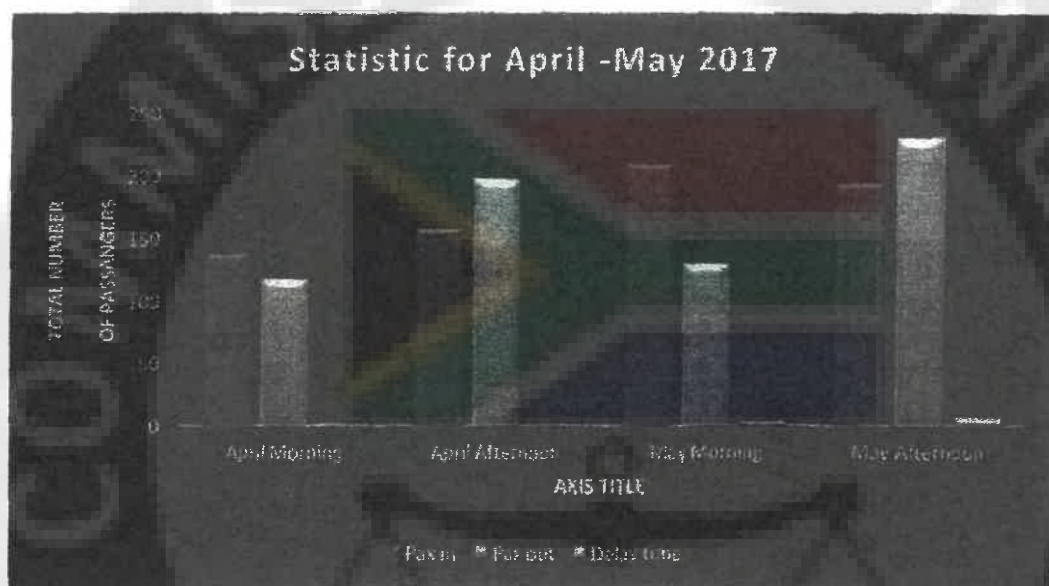
The major reason for these delays was stated as "rotation".

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MONTH	PAX IN	PAX OUT	DELAY TIME
April Morning	139	118	2.06
April Afternoon	159	198	1.26
May Morning	210	130	3.43
May Afternoon	195	231	7.47
TOTAL PAX IN			
TOTAL PAX OUT			
TOTAL PAX INCREASE			

Graph



3. June 2017 – Flight Schedule Statistics

Mmabatho station (MBD) is serviced by a 30 seater aircraft CRJ ZS-SOB and ZS-TJB. Standard operating times for our flights are as follows:

- Morning landing time: 07h55 and departing time is: 08h20
- Afternoon flight landing time: 15h40 and departing time is: 16h10

Arrival

Date	Flt no	Estimated Time Arrival	Landed	Check on	Pax in	Flt no	Check off	Pax out	Delay time
02/06	SA1123	07h55	07h58	08h01	4	SA1124	08H23	16	3mins
05/06	SA1123	07h55	08H04	08H07	29	SA1124	08H20	8	9mins
07/06	SA1123	07h55	07H58	08H01	19	SA1124	08H22	20	3mins
TOTAL					52			44	15mins
08/06	SA1123	07h55	08H05	08H08	11	SA1124	08H25	11	10mins
12/06	SA1123	07h55	08H12	08H14	14	SA1124	08H32	8	17mins
14/06	SA1123	07h55	08H03	08H05	13	SA1124	08H30	15	8mins
TOTAL					38			34	35mins
16/06	SA1123	07h55	07H54	0758	11	SA1124	08H22	16	0mins
19/06	SA1123	07h55	08H04	08H06	28	SA1124	08H35	12	9mins
21/06	SA1123	07h55	08H06	08H09	27	SA1124	08H28	8	11mins
TOTAL					66			36	20mins
23/06	SA1123	07h55	08H03	08H06	13	SA1124	08H31	25	8mins
26/06	SA1123	07h55	07H57	08H00	23	SA1124	08H21	13	2mins
28/06	SA1123	07h55	08H02	08H05	22	SA1124	08H29	11	7mins
TOTAL					58			49	17mins
30/06	SA1123	07h55	08H01	08H04	13	SA1124	08H32	21	6mins
TOTAL					13			21	6mins
GRAND TOTAL					227			184	1h33mins

Reason for these delays was stated as "rotation".

Departure

Date	Flt no	Estimated Time Arrival	Landed	Check on	Pax in	Flt no	Check off	Pax out	Delay time
02/06	SA1125	16h00	17h05	17h08	7	SA1126	17h44	15	1h5mins
05/06	SA1125	16h00	16h15	16h18	11	SA1126	16h40	13	15mins
07/06	SA1125	16h00	17h08	17h11	12	SA1126	17h28	17	1h8mins
TOTAL					30			45	2h28mins
08/06	SA1125	16h00	16h10	16h14	17	SA1126	16h31	15	10mins
12/06	SA1125	16h00	16h13	16h16	9	SA1126	16h38	16	13mins
14/06	SA1125	16h00	16h19	16h22	10	SA1126	16h49	16	19mins
TOTAL					36			47	42mins
18/06	SA1125	16h00	No ops			SA1126			No ops
19/06	SA1125	16h00	16h44	16h47	17	SA1126	17h06	19	44mins
21/06	SA1125	16h00	16h59	17h02	17	SA1126	17h26	24	59mins
TOTAL					34			43	1h43mins
23/06	SA1125	16h00	16h20	16h23	16	SA1126	16h42	24	20mins
26/06	SA1125	16h00	17h33	1735	11	SA1126	1754	16	1h33mins
28/06	SA1125	16h00	16h03	16h07	10	SA1126	16h24	20	3mins
TOTAL					37			60	1h56mins
30/06	SA1125	16h00	17h27	17h29	16	SA1126	17h50	25	1h27mins
TOTAL					16			25	1h27
GRAND TOTAL					153			220	8h16mins

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Statistics in Graph below

MONTH	PAX IN	PAX OUT	DELAY TIME
April Morning	139	118	2.06
April Afternoon	159	198	1.26
May Morning	210	130	3.43
May Afternoon	195	231	7.47
June Morning	227	184	1.33
June Afternoon	153	220	8.16
TOTAL PAX AFRE			1.12
TOTAL PAX AWAY			1.00
TOTAL PAX AWAY			
TOTAL PAX AWAY			
INC RELEASE	Difference in between today and 2014		



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PERFORMANCE, BUSINESS DEVELOPMENT & TRANSFORMATION

Performance Indicator		Planned target Q1	Actual performance Q1	Variance	Reasons on variance/ challenges	Plans/Actions to overcome challenges
	Number of activated boarding times	26	25	1	Youth day	
2	Adherence to offloading rule	0	21	0	No show of PAX	
3	Staff Attendance	35	28	7	Sick and Vacation leave	
4	Staff uniform	35	31	4	Still waiting for SAX to provide uniform to Customer Service Agent	
5	Training & Requalification	35	35	0		
6	Equipment Maintenance	3	1	2	Hardware and software upgrade	
7	Apron Area Services	26	25	1	Youth day	
8	Air Turn back	0	0	0	0	
9	Hospitality & Support	0	9		Flight delay due to rotation	Engaged with SAX Manager(Maureen)
10	Manoeuvring Area Services	26	25	1	Youth day	
11	Terminal Air Traffic Control Services					I can't access the information due to confidentiality
12	Stakeholder Relations	4	2	0	Training for two weeks	
13	Marketing	0	0	0		

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4. July 2017: Flight Schedule Statistics

Mmabatho station (MBD) was serviced by a 30 seater aircraft CRJ 2S-SOB and 2S-TJB. Standard operating times for our flights are as follows:

- Morning landing time: 07h55 and departing time is: 08h20
- Afternoon flight landing time: 15h40 and departing time is: 16h10

Arrival

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax in	Flt no	Chock off	Pax out	Delay time
03/07	SA1123	07h55	08h12	08h15	25	SA1124	08h40	17	17mins
05/07	SA1123	07h55	07h48	07h51	11	SA1124	08h08	11	0min
07/07	SA1123	07h55	07h54	07h57	10	SA1124	08h16	17	0min
TOTAL					46			45	17mins
10/07	SA1123	07h55	07h55	07h59	14	SA1124	08h14	9	0min
12/07	SA1123	07h55	07h59	08h03	15	SA1124	08h19	10	4mins
14/07	SA1123	07h55	07h56	07h59	11	SA1124	08h16	22	1min
TOTAL					40			41	5mins
17/07	SA1123	07h55	08h29	08h32	15	SA1124	08h48	20	34mins
19/07	SA1123	07h55	08h02	08h05	15	SA1124	08h21	10	7mins
21/07	SA1123	07h55	08h10	08h13	10	SA1124	08h28	8	15mins
TOTAL					40			38	56mins
24/07	SA1123	07h55	08h33	09h37	23	SA1124	10h01	5	1h36mins
26/07	SA1123	07h55	09h05	09h08	22	SA1124	09h23	8	1h10mins
28/07	SA1123	07h55	07h58	08h00	8	SA1124	08h19	14	3mins
TOTAL					53			27	2h51mins
31/07	SA1123	07h55	08h01	08h05	18	SA1124	08h21	11	6mins
TOTAL					18			11	6mins
GRAND TOTAL					197			162	4h15mins

Reason for these delays is rotation.

Departure

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax in	Flt no	Chock off	Pax out	Delay time
03/07	SA1125	16h00	17h50	17h53	20	SA1126	18h10	7	1h50mins
05/07	SA1125	16h00	16h27	16h31	13	SA1126	16h53	18	27mins
07/07	SA1125	16h00	17h30	17h33	25	SA1126	17h52	15	1h30mins
TOTAL					58			40	3h47mins
10/07	SA1125	16h00	19h19	19h23	15	SA1126	19h39	12	3h19mins
12/07	SA1125	16h00	18h15	18h19	22	SA1126	18h31	11	2h15mins
14/07	SA1125	16h00	17h00	17h03	13	SA1126	17h22	28	1h00
TOTAL					50			51	6h34mins
17/07	SA1125	16h00	16h19	16h23	19	SA1126	16h44	18	19mins
19/07	SA1125	16h00	17h38	17h41	9	SA1126	18h02	24	1h38mins
21/07	SA1125	16h00	17h57	17h59	17	SA1126	18h17	17	1h57mins
TOTAL					45			59	3h54mins
24/07	SA1125	16h00	16h32	16h34	9	SA1126	16h48	10	32mins
26/07	SA1125	16h00	16h25	16h29	12	SA1126	16h45	14	25mins
28/07	SA1125	16h00	16h35	16h37	13	SA1126	16h57	16	35mins
TOTAL					34			40	1h32mins
31/07	SA1125	16h00	16h44	16h46	7	SA1126	17h09	16	44mins
TOTAL					7			16	44mins
GRAND TOTAL					194			205	16h31mins

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Statistics in Graph below

MONTH	PAX IN	PAX OUT	DELAY TIME
June Morning	227	184	1.33
June Afternoon	153	220	8.16
July Morning	197	162	4.15
July Afternoon	194	206	16.31
TOTAL PAX JUL 16			744
TOTAL PAX JUL 17			759
TOTAL PAX INCREASE/DECREASE	(Difference between June and July)		15

PERFORMANCE, BUSINESS DEVELOPMENT & TRANSFORMATION-JUL

Performance Indicator	Planned target- July	Actual performance - July	Variance	Reasons on variance/challenges	Plans/Actions to overcome challenges
1 Number of activated boarding times	26	26	0		
2 Adherence to offloading rule	0	30	0	No show of PAX	
3 Staff Attendance	21	21	0		
4 Staff uniform	7	3	4	Still waiting for SAX to provide uniform for the Customer Service Agents	Request has been submitted for customer service agent
5 Training & Requalification	8	6	2	Marshalling and Reservation courses awaiting dates from SAX.	
6 Equipment Maintenance	3	2	1	Hardware and software upgrade	Continuous engagement with SAX IT regarding the outstanding system for the gates.
7 Apron Area Services	26	26	0		
8 Air Turn back	0	0	0	0	
9 Hospitality & Support	0	9	0	Flight delays	Communicated with SAX regarding the delays.
10 Manoeuvring Area Services	26	26	0		
11 Terminal Air Traffic Control Services					We can't access the information due to confidentiality
12 Stakeholder Relations	2	0	2	Re-scheduled	Provide adequate and timeous meeting
13 Marketing	0	0	0		

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5. August 2017 Flight Schedule Statistics

Mmabatho station (MBD) is serviced by a 30 seater aircraft CRJ ZS-SOB and ZS-TJB. Standard operating times for our flights are as follows:

- Morning landing time: 07h55 and departing time is: 08h20
- Afternoon flight landing time: 15h40 and departing time is: 16h10

Arrival

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax In	Flt no	Chock off	Pax out	Delay time
02/08	SA1123	07h55	07h50	07h52	14	SA1124	08h06	7	0mins
04/08	SA1123	07h55	07h55	07h57	7	SA1124	08h27	19	0mins
07/08	SA1123	07h55	08h19	08h25	12	SA1124	08h38	11	24mins
TOTAL					33			37	24mins
09/08	SA1123	13h45	13h42	13h48	5	SA1124	14h05	15	0mins
11/08	SA1123	07h55	07h54	07h56	6	SA1124	08h15	6	1min
14/08	SA1123	07h55	08h33	08h37	20	SA1124	08h51	5	38mins
TOTAL					31			26	39mins
16/08	SA1123	07h55	08h00	08h02	24	SA1124	08h24	21	5mins
18/08	SA1123	07h55	08h05	08h08	18	SA1124	08h25	21	10mins
21/08	SA1123	07h55	08h13	08h16	16	SA1124	08h32	9	18mins
TOTAL					58			51	38mins
23/08	SA1123	07h55	08h19	08h22	28	SA1124	08h41	12	24mins
25/08	SA1123	07h55	08h11	08h14	11	SA1124	08h32	12	16mins
28/08	SA1123	07h55	08h11	08h14	19	SA1124	08h26	12	16mins
TOTAL					58			35	56mins
30/08	SA1123	07h55	07h57	08h01	23	SA1124	08h20	11	2mins
TOTAL					23			11	2mins
GRAND TOTAL					203			161	2h39mins

Reason for these delays is rotation.

Departure

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax In	Flt no	Chock off	Pax out	Delay time
02/08	SA1125	16h30	16h26	16h30	12	SA1126	16h49	9	0mins
04/08	SA1125	16h30	16h44	16h47	20	SA1126	17h09	23	14mins
07/08	SA1125	16h30	16h41	16h45	9	SA1126	17h00	11	11mins
TOTAL					41			43	25mins
09/08	No ops	No ops	No ops			No ops			No ops
11/08	SA1125	16h30	17h12	17h15	6	SA1126	17h33	20	42mins
14/08	SA1125	16h30	16h30	16h32	13	SA1126	16h48	10	0mins
TOTAL					19			30	42mins
16/08	SA1125	16h30	16h40	16h42	15	SA1126	16h48	20	10mins
18/08	SA1125	16h30	16h57	17h01	18	SA1126	17h27	31	27mins
21/08	SA1125	16h30	16h42	16h46	24	SA1126	17h03	10	12mins
TOTAL					57			61	49mins
23/08	SA1125	16h30	16h33	16h36	10	SA1126	16h57	29	3mins
25/08	SA1125	16h30	16h42	16h44	20	SA1126	17h26	14	12mins
28/08	SA1125	16h30	16h42	16h45	13	SA1126	17h07	16	12mins
TOTAL					43			59	25mins
30/08	SA1125	16h30	17h41	17h44	9	SA1126	18h02	22	11
TOTAL					9			22	11mins
GRAND TOTAL					169			215	2h32mins

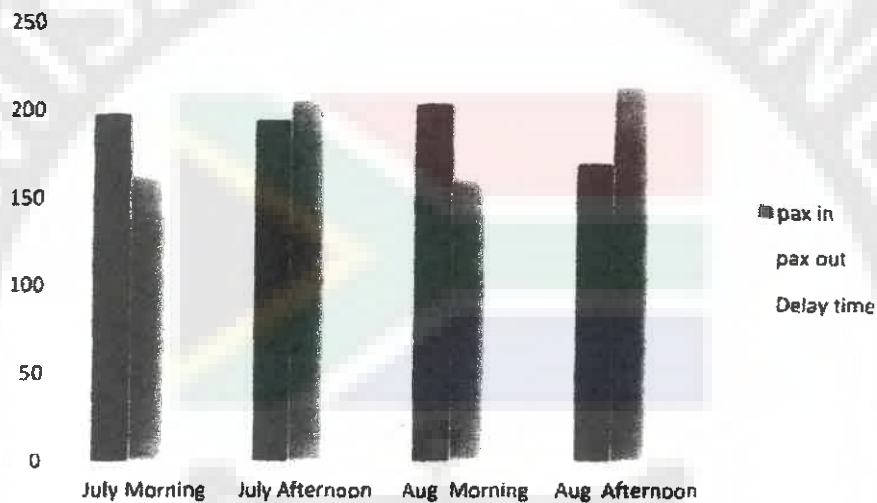
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Statistics in Graph below

MONTH	PAX IN	PAX OUT	DELAY TIME
July Morning	197	162	4.15
July Afternoon	194	206	16.31
Aug Morning	203	161	2.39
Aug Afternoon	169	215	2.32
Grand Total			21
11.31.14 Pax Aug			21
TOTAL Pax			
INCREASE/DILIGENCE	Interference between		

Graph



PERFORMANCE, BUSINESS DEVELOPMENT & TRANSFORMATION-AUG

Performance Indicator		Planned target- Aug	Actual performance - Aug	Variance	Reasons on variance/challenges	Plans/Actions to overcome challenges
1	Number of activated boarding times	26	25	0	Woman's day (09Aug) and one flight was a no ops	
2	Adherence to offloading rule	0	32	0	No show of PAX	
3	Staff Attendance	23	23	0		
4	Staff uniform	7	3	4	Still waiting for SAX to provide uniform for the Customer Service Agents. MAMCo have issued us with uniform for the non-operation days.	Request has been submitted for customer service agent
5	Training & Requalification	8	6	2	Marshalling, Reservation and Weight and Balance courses awaiting dates	
6	Equipment Maintenance	3	3	0	We have received the two Computer Systems for Boarding gates and Check in counters.	
7	Apron Area Services	26	25	0	Woman's day on the 09Aug and one flight was a no ops	
8	Air Turn back	0	0	0	No Air Turn back	
9	Hospitality & Support	0	12	0	Flight delays	Communicated with SAX regarding the delays.
10	Manoeuvring Area Services	26	25	0	Woman's day on the 09Aug and only one flight was no ops	
11	Terminal Air Traffic Control Services					We can't access the information due to confidentiality
12	Stakeholder Relations	4	2	1	Re-scheduled for the end of Sept.	Provide adequate and limeous meeting
13	Marketing	0	0	0		

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6. September 2017: Flight Schedule Statistics

Mmabatho station (MBD) was serviced by a 30 seater aircraft CRJ ZS-SOB and ZS-TJB. Standard operating times for our flights are as follows:

- Morning landing time: 07h55 and departing time is: 08h20
- Afternoon flight landing time: 15h40 and departing time is: 16h10

Arrival

Date	Flt no	Estimated Time Arrival	Landed	Check on	Pax In	Flt no	Check off	Pax out	Delay time
01/09/2017	SA1123	08h05	08h11	08h14	7	SA1124	08h30	8	6mins
04/09/2017	SA1123	08h05	07h58	08h00	15	SA1124	08h18	12	0mins
06/09/2017	SA1123	08h05	08h02	08h04	7	SA1124	08h18	16	0mins
TOTAL					29			36	6mins
08/09/2017	SA1123	08h05	08h05	08h07	13	SA1124	08h26	11	0mins
11/09/2017	SA1123	08h05	07h58	08h01	26	SA1124	08h21	8	0mins
13/09/2017	SA1123	08h05	08h09	08h12	21	SA1124	08h31	11	4mins
TOTAL					60			30	4mins
15/09/2017	SA1123	08h05	07h50	07h55	11	SA1124	08h25	22	0mins
18/09/2017	SA1123	08h05	08h00	08h03	16	SA1124	08h33	12	0mins
20/09/2017	SA1123	08h05	08h01	08h03	22	SA1124	08h28	14	0mins
TOTAL					39			48	0mins
22/09/2017	SA1123	08h05	08h04	08h07	14	SA1124	08h25	11	0mins
25/09/2017	NO PS	NO OPS	NO PS			NO PS	No ops		
27/09/2017	SA1123	08h05	08h09	08h13	20	SA1124	08h28	9	4mins
TOTAL					34			20	4mins
29/09/2017	SA1123	08h05	08h06	08h08	7	SA1124	08h33	23	1min
TOTAL					7			23	1min
GRAND TOTAL					169			157	21mins

Departure

Date	Flt no	Estimated Time Arrival	Landed	Check on	Pax In	Flt no	Check off	Pax out	Delay time
01/09/17	SA1125	16h40	16h29	16h33	20	SA1126	16h54	13	1h49mins
04/09/17	SA1125	16h40	16h40	16h43	26	SA1126	17h08	6	0mins
06/09/17	SA1125	16h40	16h37	16h40	14	SA1126	16h58	7	0mins
TOTAL					60			26	1h49mins
08/09/17	SA1125	16h40	16h26	16h28	12	SA1126	16h56	15	0mins
11/09/17	SA1125	16h40	16h32	16h35	16	SA1126	16h52	13	0mins
13/09/17	SA1125	16h40	16h49	16h56	10	SA1126	17h16	27	9mins
TOTAL					38			55	9mins
15/09/17	SA1125	16h40	19h20	19h26	11	SA1126	19h42	22	2h40mins
18/09/17	SA1125	16h40	16h38	16h42	22	SA1126	17h01	11	0mins
20/09/17	SA1125	16h40	16h45	16h49	11	SA1126	17h10	21	5mins

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TOTAL					44			54	2h45mins
22/09/17	SA1125	16h40	17H25	17H29	19	SA1126	17H51	26	45mins
25/09/17	SA1125	16h40	17H58	18H00	19	SA1126	18H22	16	1h18mins
27/09/17	SA1125	16h40	16H32	16H35	17	SA1126	17H00	14	0mins
TOTAL					55			56	2h3mins
29/09/17	SA1125	16h40	16H32	16H34	9	SA1126	17h05	23	0mins
TOTAL					9			23	0mins
GRAND TOTAL					206			214	6h01min

PERFORMANCE, BUSINESS DEVELOPMENT & TRANSFORMATION-Sept

Performance Indicator	Planned target-Sept	Actual performance - Sept	Variance	Reasons on variance/ challenges	Plans/Actions to overcome challenges
1 Number of activated boarding times	26	25	1	Heritage 's day	
2 Adherence to offloading rule	0	10	0	No show of PAX	
3 Staff Attendance	21	21	0		
4 Staff uniform	7	3	4	Still waiting for SAX to provide uniform for the Customer Service Agents	Request has been submitted for customer service agent
5 Training & Requalification	8	6	2	Marshalling and Reservation awaiting dates	Neo Lesetedi attended Weight Balance Course. As per CAA regulations our Aircraft Marshalls require urgent training.
6 Equipment Maintenance	5	3	1	On process to negotiate for Baggage Cart or small Bakkie with MAMCo	We have received Baggage Loading Step and the Baggage Cage from MAMCo office
7 Apron Area Services	26	25	1	Heritage's day	
8 Air Turn back	0	0	0	No Turn Back	
9 Hospitality & Support	0	3	0	Flight delays	Communicated with SAX regarding the delays.

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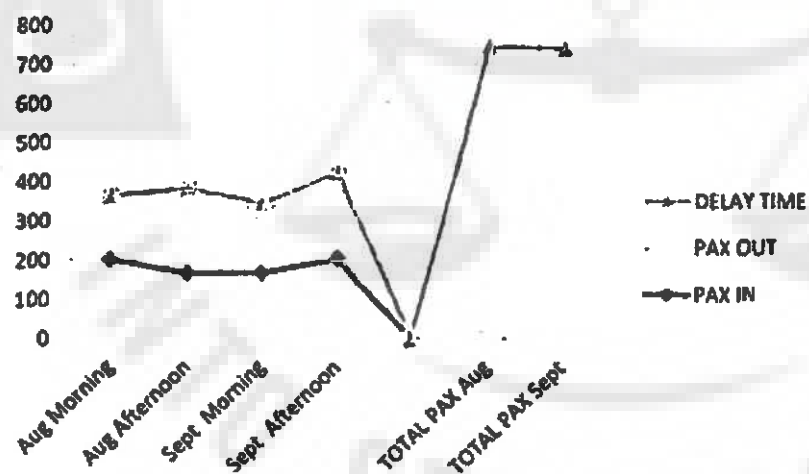
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10	Manoeuvring Area Services	26	25	1	Heritage's day	
11	Terminal Air Traffic Control Services					We can't access the information due to confidentiality
12	Stakeholder Relations	4	3	1	Reschedule for end of October.	Provide adequate timeous meeting
13	Marketing	0	0	0		

Statistics in Graph below

MONTH	PAX IN	PAX OUT	DELAY TIME
Aug Morning	203	161	2.39
Aug Afternoon	169	215	2.32
Sept Morning	169	157	21
Sept Afternoon	206	214	6.1
TOTAL PAX Aug			748
TOTAL PAX Sept			746
TOTAL PAX INCREASE/DECREASE	Difference between Aug and Sept		2

Graph



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7. October 2017: Flight Schedule

Mmabatho station (MBD) is serviced by a 30 seater aircraft CRJ ZS-SOB and ZS-TJB. Standard operating times for our flights are as follows:

- Morning landing time: 07h55 and departing time is: 08h20
- Afternoon flight landing time: 15h40 and departing time is: 16h10

Arrival

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax in	Flt no	Chock off	Pax out	Delay time
02/10	SA1123	08h00	08h45	08h48	14	SA1124	09h07	28	45mins
04/10	SA1123	08h00	07h58	07h58	08	SA1124	08h21	19	0min
06/10	SA1123	08h00	08h00	08h05	14	SA1124	08h33	13	0min
TOTAL					36			60	45mins
09/10	SA1123	08h00	08h08	08h11	17	SA1124	08h34	18	8mins
11/10	SA1123	08h00	07h55	07h58	19	SA1124	08h17	18	0min
13/10	SA1123	08h00	07h59	08h00	12	SA1124	08h21	10	0min
TOTAL					48			46	8mins
16/10	SA1123	08h00	08h00	08h03	17	SA1124	08h22	14	0min
18/10	SA1123	08h00	08h21	08h24	17	SA1124	08h44	20	21mins
20/10	SA1123	08h00	08h05	08h09	08	SA1124	08h27	22	5mins
TOTAL					42			56	26mins
23/10	SA1123	08h00	08h13	08h19	24	SA1124	08h32	13	13mins
25/10	SA1123	08h00	08h00	08h03	14	SA1124	08h31	28	0mins
27/10	SA1123	08h00	08h00	08h05	11	SA1124	08h21	08	0mins
TOTAL					49			49	13mins
30/10	SA1123	08h00	07h54	07h58	05	SA1124	08h15	10	0min
TOTAL					95			10	0min
GRAND TOTAL					180			221	1h32mins

Reason for these delays was stated as "rotation".

Departure

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax in	Flt no	Chock off	Pax out	Delay time
02/10	SA1125	16h40	16h42	16h47	22	SA1126	17h10	20	2mins
04/10	SA1125	16h40	16h25	16h29	07	SA1126	17h00	22	0mins
06/10	SA1125	16h40	16h34	16h38	17	SA1126	17h08	24	0mins
TOTAL					46			66	2mins
09/10	SA1125	16h40	17h20	17h25	20	SA1126	17h47	14	40mins
11/10	SA1125	16h40	16h33	16h38	19	SA1126	16h57	21	0mins
13/10	SA1125	16h40	16h26	16h30	12	SA1126	17h00	19	0mins
TOTAL					51			54	40mins
16/10	SA1125	16h40	18h10	18h13	20	SA1126	18h45	13	1h30mins
18/10	SA1125	16h40	16h34	16h38	14	SA1126	17h00	21	0mins
20/10	SA1125	16h40	17h00	17h04	21	SA1126	17h31	13	20mins
TOTAL					55			47	1h50mins
23/10	SA1125	16h40	17h20	17h22	27	SA1126	17h43	15	40mins
25/10	SA1125	16h40	16h36	16h40	14	SA1126	17h03	23	0min
27/10	SA1125	16h40	17h32	17h35	10	SA1126	17h52	10	52mins
TOTAL					51			48	1h32mins
30/10	SA1125	16h40	16h40	16h43	10	SA1126	17h05	09	0mins
TOTAL					10			09	0min
GRAND TOTAL					213			224	4h4mins

Statistics in Graph below

MONTH	PAX IN	PAX OUT	DELAY TIME
Sept Morning	169	157	21
Sept Afternoon	206	214	6.1
Oct Morning	180	221	1.32
Oct Afternoon	213	224	4.4
TOTAL PAX Sept			28
TOTAL PAX Oct			28
TOTAL PAX INCREASE/DECREASE	Difference between Sept and Oct		0

Graph



PERFORMANCE, BUSINESS DEVELOPMENT & TRANSFORMATION-OCT

Performance Indicator		Planned target-Oct	Actual performance - Oct	Variance	Reasons on variances/challenges	Plans/Actions to overcome challenges
1	Number of activated boarding times	26	26	0		
2	Adherence to offloading rule	0	26	0	No show of PAX	
3	Staff Attendance	22	22	0		
4	Staff uniform	7	3	4	Still waiting for SAX to provide uniform for the Customer Service Agents	Request has been submitted for customer service agent
5	Training & Requalification	8	6	2	Marshalling and Reservation awaiting dates	All staff members attended Human Factor and Safety and Security Awareness.
6	Equipment Maintenance	3	3	0		
7	Apron Area Services	26	26	0		
8	Air Turn back	0	0	0	0	
9	Hospitality & Support	0	7	0	Flight delays	Communicated with SAX regarding the delays.
10	Manoeuvring Area Services	26	26	0		
11	Terminal Air Traffic Control Services					We can't access the information due to confidentiality
12	Stakeholder Relations	4	3	1	Re-scheduled for end of November	Provide adequate and timely meeting
13	Marketing	0	0	0		

8. November 2017: Flight Schedule Statistics

Minabatho station (MBO) is serviced by a 30 seater aircraft CRJ ZS-SOB and ZS-TJB. Standard operating times for our flights are as follows:

- Morning landing time: 07h55 and departing time is: 08h20
- Afternoon flight landing time: 15h40 and departing time is: 16h10

Arrival

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax In	Flt no	Chock off	Pax out	Delay time
01/11	SA1123	08h00	07h52	07h55	18	SA1124	08h16	10	0mins
03/11	SA1123	08h00	07h53	07h56	09	SA1124	08h13	02	0mins
06/11	SA1123	08h00	08h03	08h06	15	SA1124	08h25	08	03mins
TOTAL					40			20	3mins
08/11	SA1123	08h00	07h52	07h55	14	SA1124	08h20	12	0mins
10/11	SA1123	08h00	08h20	08h25	19	SA1124	08h40	18	20mins
13/11	SA1123	08h00	08h13	08h16	08	SA1124	08h31	16	13mins
TOTAL					41			46	33mins
15/11	SA1123	08h00	08h21	08h25	17	SA1124	08h45	12	21mins
17/11	SA1123	08h00	08h06	08h11	16	SA1124	08h30	16	08mins
20/11	SA1123	08h00	08h08	08h13	28	SA1124	08h29	11	08mins
TOTAL					59			39	37mins
22/11	SA1123	08h00	08h04	08h08	24	SA1124	08h25	11	04mins
24/11	SA1123	08h00	07h53	07h55	14	SA1124	08h14	11	0mins
27/11	SA1123	08h00	08h14	08h17	30	SA1124	08h35	10	14mins
TOTAL					68			32	18mins
29/11	SA1123	08h00	08h09	08h13	19	SA1124	08h37	10	09mins
TOTAL					19			10	09mins
GRAND TOTAL					227			147	1h40mins

Reason for these delays was stated as "rotation".

Departure

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax In	Flt no	Chock off	Pax out	Delay time
01/11	SA1125	16h40	16h40	16h42	17	SA1126	17h05	20	0mins
03/11	SA1125	16h40	16h00	16h04	11	SA1126	16h26	24	1h20mins
06/11	SA1125	16h40	16h02	16h06	06	SA1126	16h29	10	1h22mins
TOTAL					34			54	2h42mins
08/11	SA1125	16h40	17h19	17h23	20	SA1126	17h45	12	39mins
10/11	SA1125	16h40	16h16	16h19	21	SA1126	16h42	31	1h36mins
13/11	SA1125	16h40	16h51	16h53	15	SA1126	17h10	7	11mins
TOTAL					56			50	2h26mins
15/11	SA1125	16h40	16h05	16h08	11	SA1126	16h29	17	1h25mins
17/11	SA1125	16h40	16h29	16h32	13	SA1126	16h51	22	1h49mins
20/11	SA1125	16h40	16h27	16h30	9	SA1126	16h52	12	0mins
TOTAL					33			51	3h14mins
22/11	SA1125	16h40	16h57	17h00	14	SA1126	17h20	24	17mins
24/11	SA1125	16h40	Cxld	Cxld	Cxld	SA1126	Cxld	Cxld	Cxld
25/11	SA1125	08h05	08h15	08h16	14	SA1126	08h49	19	10mins
27/11	SA1125	16h40	16h50	16h52	14	SA1126	17h16	24	10mins
TOTAL					42			67	37mins
29/11	SA1125	16h40	16h42	16h46	12	SA1126	17h03	21	2mins
TOTAL					12			21	2mins
GRAND TOTAL					177			243	09h01min

Statistics in: Graph below

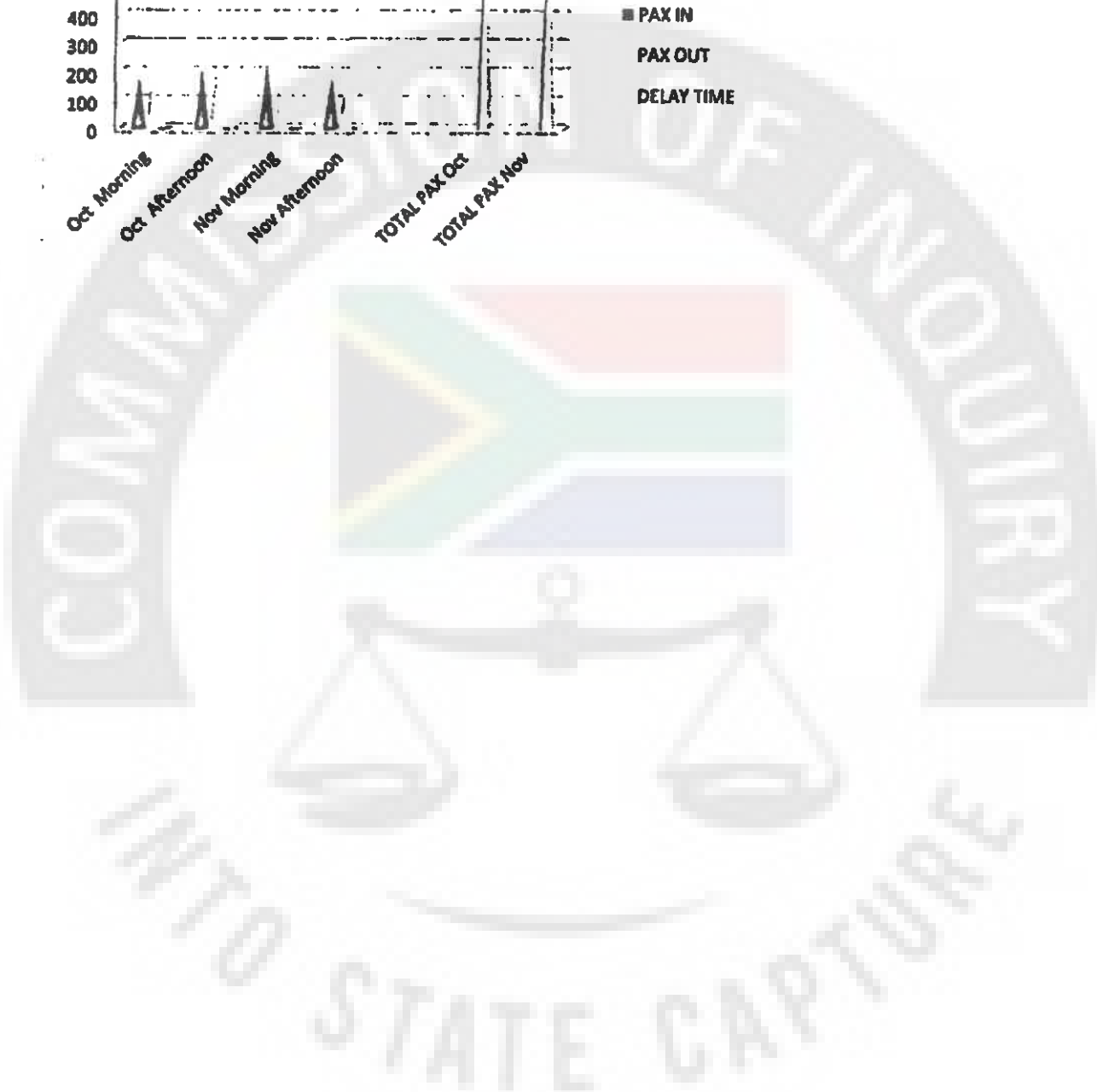
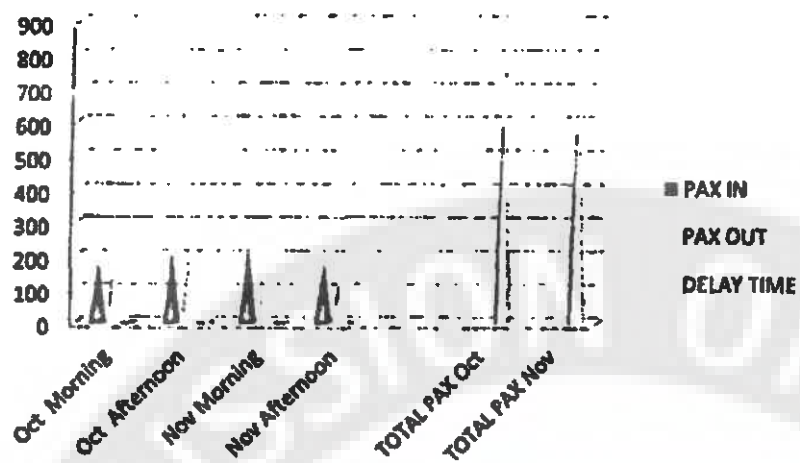
MONTH	PAX IN	PAX OUT	DELAY TIME
Oct Morning	180	221	1.32
Oct Afternoon	213	224	4.4
Nov Morning	227	147	1.40
Nov Afternoon	177	243	9.1
TOTAL PAX IN			
TOTAL PAX OUT			
INCREASE/DECREASE			

PERFORMANCE, BUSINESS DEVELOPMENT & TRANSFORMATION-Nov

Performance Indicator	Planned target-Nov	Actual performance - Nov	Variance	Reasons on variance/challenges	Plans/Actions to overcome challenges
1 Number of activated boarding times	26	26	1	SA1125/6 was cxld due to Bad weather in Mafikeng	Operate flight on the 25 th Nov, SA1125/6
2 Adherence to offloading rule	0	20	0	No show of PAX	
3 Staff Attendance	23	23	0		
4 Staff uniform	7	3	4	Still waiting for SAX to provide uniform for the Customer Service Agents	Request has been submitted for customer service agent
5 Training & Requalification	8	6	2	Marshalling and Reservation awaiting dates	
6 Equipment Maintenance	3	3	0		
7 Apron Area Services	26	26	0		
8 Air Turn back	0	1	0	Aircraft could not land due bad weather	
9 Hospitality & Support	0	7	0	Flight delays	Communicated with SAX regarding the delays.
10 Manoeuvring Area Services	26	26	0		
11 Terminal Air Traffic Control Services					We can't access the information due to confidentiality
12 Stakeholder Relations	4	4	0		
13 Marketing	0	0	0		

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Graph



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9. December 2017 Flight Schedule Statistics

Mmabatho station (MBD) is serviced by a 30 seater aircraft CRJ ZS-SOB and ZS-TJB. Standard operating times for our flights are as follows:

- Morning landing time: 07h55 and departing time is: 08h20
- Afternoon flight landing time: 15h40 and departing time is: 16h10

Arrival

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax In	Flt no	Chock off	Pax out	Delay time
01/12	SA1123	08h00	07h58	08h01	9	SA1124	08h26	25	0min
04/12	SA1123	08h00	08h06	08h08	21	SA1124	08h28	15	6mins
06/12	SA1123	08h00	08h03	08h05	19	SA1124	08h20	6	03mins
TOTAL					49			46	9mins
08/12	SA1123	08h00	07h58	08h00	19	SA1124	08h23	16	0min
11/12	SA1123	08h00	07h58	08h00	15	SA1124	08h23	19	0min
13/12	SA1123	08h00	08h03	08h05	11	SA1124	08h25	16	3min
TOTAL					45			51	3mins
15/12	SA1123	08h00	08h17	08h19	3	SA1124	08h35	10	17mins
18/12	SA1123	08h00	07h42	07h44	7	SA1124	08h06	08	0min
20/12	SA1123	08h00	07h50	07h54	6	SA1124	08h14	10	0min
TOTAL					16			28	17mins
22/12	SA1123	08h00	07h59	08h02	10	SA1124	08h20	10	0min
25/12	SA1123	08h00	07h47	07h51	10	SA1124	08h12	10	0min
27/12	SA1123	08h00	07h56	07h58	8	SA1124	08h20	14	0min
TOTAL					28			34	0min
29/12	SA1123	08h00	07h43	07h47	3	SA1124	08h12	13	0min
TOTAL					3			13	0min
GRAND TOTAL					141			172	29mins

Reason for these delays was stated as rotation.

Departure

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax In	Flt no	Chock off	Pax out	Delay time
01/12	SA1125	16h40	17h48	17h51	17	SA1126	16h08	22	8mins
04/12	SA1125	16h40	16h41	16h44	12	SA1126	17h05	15	1min
06/12	SA1125	16h40	16h37	16h40	13	SA1126	17h03	23	0min
TOTAL					42			60	9mins
08/12	SA1125	16h40	16h24	16h27	22	SA1126	16h47	22	2h44mins
11/12	SA1125	16h40	16h35	16h40	15	SA1126	17h06	12	0mins
13/12	SA1125	16h40	17h16	17h24	12	SA1126	17h46	22	36mins
TOTAL					49			56	3h22mins
15/12	SA1125	16h40	16h33	16h37	23	SA1126	16h59	13	0min
18/12	SA1125	16h40	16h34	16h37	12	SA1126	16h56	4	0min
20/12	SA1125	16h40	16h18	16h20	12	SA1126	16h52	11	0min
TOTAL					47			28	0min
22/12	SA1125	16h40	16h33	16h35	12	SA1126	17h00	19	0min
25/12	SA1125	16h40	16h07	16h10	8	SA1126	16h51	4	0min
27/12	SA1125	16h40	16h29	16h32	8	SA1126	16h47	4	0min
TOTAL					28			27	0min
29/12	SA1125	16h40	16h32	16h35	13	SA1126	16h59	11	0min
TOTAL					13			11	0min
GRAND TOTAL					179			182	3h31mins

Statistics in Graph below

MONTH	PAX IN	PAX OUT	DELAY TIME
Nov Morning	227	147	1.40
Nov Afternoon	177	243	9.1
Dec Morning	141	172	29
Dec Afternoon	179	182	3.31
TOTAL PAX IN			
TOTAL PAX OUT			
TOTAL PAX			
INCREASE/DECREASE	LITTLE INCREASE IN NOV. BUT IN DEC.		

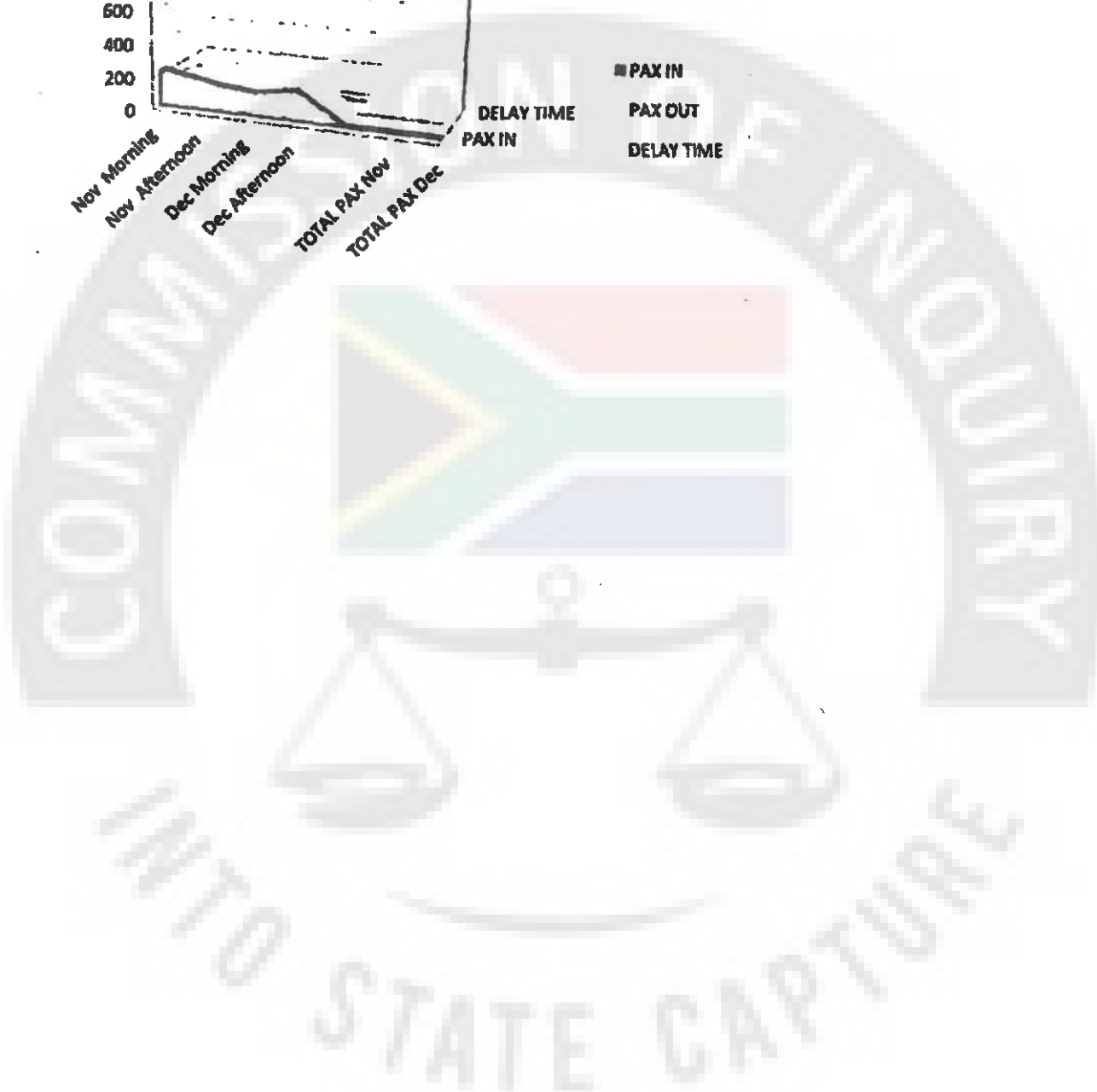
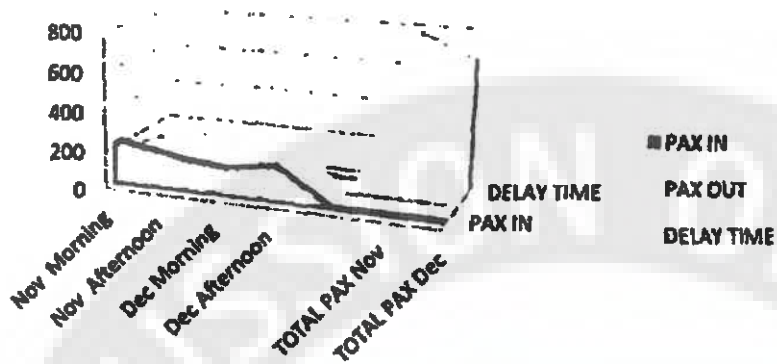
Performance Indicator		Planned target-Dec	Actual performance - Dec	Variance	Reasons on variance/challenges	Plans/Actions to overcome challenges
1	Number of activated boarding times	26	26			
2	Adherence to offloading rule	0	12	0	No show of PAX	
3	Staff Attendance	23	23	0		
4	Staff uniform	7	3	4	SAX provided Customer Service Agents with Shirts only	Request has been submitted for the outstanding Uniform.
5	Training & Requalification	8	6	2	Marshalling and Reservation awaiting dates	
6	Equipment Maintenance	3	3	0		
7	Apron Area Services	26	26	0		
8	Air Turn back	0	0			
9	Hospitality & Support	0		0		Communicate with SAX regarding the delays
10	Manoeuvring Area Services	26	26	0		
11	Terminal Air Traffic Control Services					We can't access the information due to confidentiality
12	Stakeholder Relations	4	4	0		
13	Marketing	0	0	0		

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PERFORMANCE, BUSINESS DEVELOPMENT & TRANSFORMATION-Dec

Graph



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10. January 2018 Flight Schedule Statistics

Flight schedule statistics

Mmabatho station (MBD) is serviced by a 30 seater aircraft CRJ ZS-SOB and ZS-TJB. Standard operating times for our flights are as follows.

Arrival

Date	Flt no	Estimated Time Arrival	Landed	Check on	Pax in	Flt no	Check off	Pax out	Delay time
01/01	SA1123	08h00	07h57	08h00	0	SA1124	08h21	7	0min
03/01	SA1123	08h00	07h59	08h03	5	SA1124	08h20	12	0min
05/01	SA1123	08h00	07h47	07h49	8	SA1124	08h11	9	0min
TOTAL					13			28	0min
08/01	SA1123	08h00	07h48	07h52	9	SA1124	08h14	10	0min
10/01	SA1123	08h00	07h57	07h59	11	SA1124	08h19	9	0min
12/01	SA1123	08h00	07h44	07h46	8	SA1124	08h09	11	0min
TOTAL					28			30	0min
15/01	SA1123	08h00	07h50	07h53	17	SA1124	08h17	18	0min
17/01	SA1123	08h00	07h50	07h53	16	SA1124	08h13	11	0min
19/01	SA1123	08h00	08h26	08h29	10	SA1124	08h43	9	26mins
TOTAL					43			38	26mins
22/01	SA1123	08h00	08h00	08h03	20	SA1124	08h22	8	0min
24/01	SA1123	08h00	08h03	08h06	10	SA1124	08h20	11	3mins
26/01	SA1123	08h00	07h50	07h54	10	SA1124	08h20	7	0min
TOTAL					40			26	3mins
29/01	SA1123	08h00	07h56	07h59	19	SA1124	08h20	12	0min
31/01	SA1123	08h00	07h58	08h02	14	SA1124	08h23	13	0min
TOTAL					33			25	0min
GRAND TOTAL					157			147	29mins

Reason for these delays is rotation.

Departure

Date	Flt no	Estimated Time Arrival	Landed	Check on	Pax in	Flt no	Check off	Pax out	Delay time
01/01	SA1125	16h40	16h28	16h30	3	SA1126	16h50	2	0min
03/01	SA1125	16h40	17h00	17h03	11	SA1126	17h19	7	20mins
05/01	SA1125	16h40	16h28	16h31	8	SA1126	16h52	10	0min
TOTAL					22			19	20mins
08/01	SA1125	16h40	16h36	16h41	23	SA1126	17h01	7	0min
10/01	SA1125	16h40	16h30	16h33	9	SA1126	16h47	5	0min
12/01	SA1125	16h40	16h31	16h33	16	SA1126	16h50	7	0min
TOTAL					48			19	0min
15/01	SA1125	16h40	16h40	16h43	16	SA1126	17h14	14	0min
17/01	SA1125	16h40	16h28	16h32	11	SA1126	16h52	16	0min
19/01	SA1125	16h40	16h31	16h35	11	SA1126	16h59	23	0min
TOTAL					38			53	0min
22/01	SA1125	16h40	16h41	16h43	11	SA1126	17h01	8	1min
24/01	SA1125	16h40	16h32	16h35	7	SA1126	16h58	12	0min
26/01	SA1125	16h40	16h28	16h30	20	SA1126	16h56	17	0min
TOTAL					38			37	1min
29/01	SA1125	16h40	17h08	17h10	19	SA1126	17h28	18	28mins
31/01	SA1125	16h40	16h40	16h43	21	SA1126	17h00	13	0min
TOTAL					40			31	28mins
GRAND TOTAL					186			159	49mins

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Performance Indicator		Planned target-Jan	Actual performance - Jan	Variance	Reasons on variance/challenges	Plans/Actions to overcome challenges
1	Number of activated boarding times	26	26			
2	Adherence to offloading rule	0	8	0	No show of PAX	
3	Staff Attendance	23	23	0		
4	Staff uniform	7	3	4		Request has been submitted for the outstanding Uniform.
5	Training & Requalification	8	6	2	Marshalling Reservation awaiting dates	On the 1 st and 2 nd Feb Instructor from Lanseria will be conducting Marshalling Course.
6	Equipment Maintenance	8	8	0		
7	Apron Area Services	26	26	0		
8	Air Turn back	0	0			
9	Hospitality & Support	0	1	1		Communicate with SAX regarding the delays
10	Manoeuvring Area Services	26	26	0		
11	Terminal Air Traffic Control Services					We can't access the information due to confidentiality
12	Stakeholder Relations	4	2	2	Awaiting meeting next end of the month March	
13	Marketing	0	0	0		

Statistics in Graph below

MONTH	PAX IN	PAX OUT	DELAY TIME
Dec Morning	141	172	29
Dec Afternoon	179	182	3.31
Jan Morning	157	147	29
Jan Afternoon	186	159	49

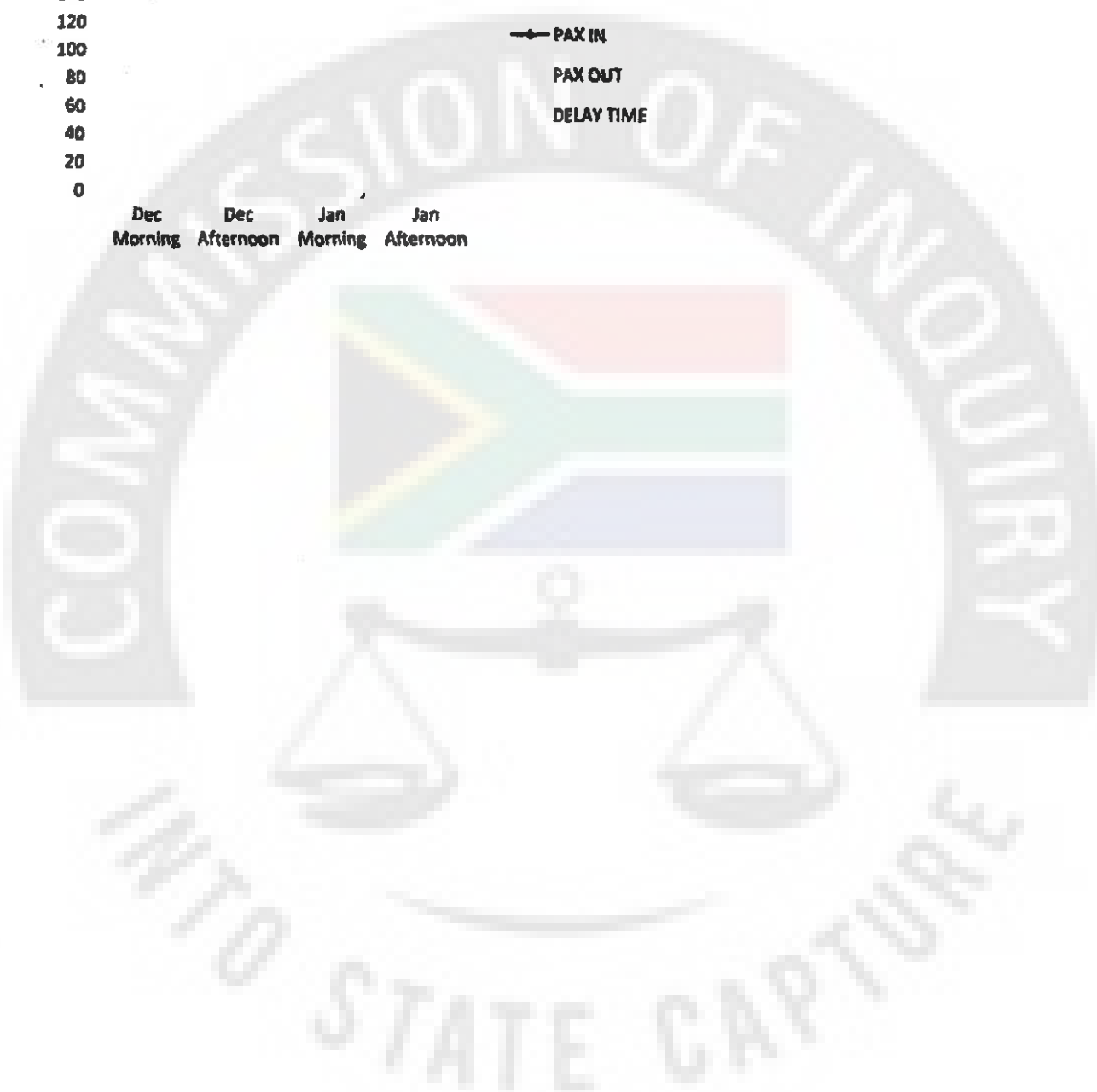
PERFORMANCE, BUSINESS DEVELOPMENT & TRANSFORMATION-Jan

Graph

200
180
160
140
120
100
80
60
40
20
0

Dec Morning Dec Afternoon Jan Morning Jan Afternoon

PAX IN
PAX OUT
DELAY TIME



11. February 2018 Flight Schedule Statistics

Flight schedule statistics

Mmabatho station (MBD) is serviced by a 30 seater aircraft CRJ ZS-SOB and ZS-TJB. Standard operating times for our flights are as follows:

Arrival

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax in	Flt no	Chock off	Pax out	Delay time
02/02	SA1123	08h00	07h46	07h50	21	SA1124	08h10	8	0min
05/02	SA1123	08h00	07h56	07h59	19	SA1124	08h21	19	0min
07/02	SA1123	08h00	07h59	08h03	6	SA1124	08h23	10	0min
TOTAL					46			37	0mins
09/02	SA1123	08h00	07h52	07h55	22	SA1124	08h15	10	0min
12/02	SA1123	08h00	08h05	08h07	21	SA1124	08h25	12	5mins
14/02	SA1123	08h00	08h07	08h09	27	SA1124	08h32	16	7mins
TOTAL					70			38	12mins
19/02	SA1123	08h00	07h54	07h57	12	SA1124	08h13	6	0min
21/02	SA1123	08h00	07h58	08h01	20	SA1124	08h16	9	0min
23/02	SA1123	08h00	07h54	07h56	11	SA1124	08h12	7	0min
TOTAL					43			22	0mins
26/02	SA1123	08h00	08h00	08h02	17	SA1124	08h23	10	0min
28/02	SA1123	08h00	08h00	08h02	13	SA1124	08h22	17	0min
TOTAL					30			27	0mins
GRAND TOTAL					189			124	12mins

Reason for these delays is rotation.

Departure

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax in	Flt no	Chock off	Pax out	Delay time
02/02	SA1125	16h40	16h36	16h38	12	SA1126	17h06	25	0min
05/02	SA1125	16h40	16h35	16h37	10	SA1126	16h59	13	0min
07/02	SA1125	16h40	16h30	16h32	12	SA1126	16h58	6	0mins
TOTAL					34			44	0mins
09/02	SA1125	16h40	16h36	16h39	13	SA1126	17h27	28	0min
12/02	SA1125	16h40	16h36	16h39	14	SA1126	16h57	14	0min
14/02	SA1125	16h40	16h39	16h41	11	SA1126	17h01	22	0min
TOTAL					38			64	0mins
19/02	SA1125	16h40	16h50	16h54	5	SA1126	17h51	7	10mins
21/02	SA1125	16h40	16h30	16h33	11	SA1126	16h54	14	0min
23/02	SA1125	16h40	16h34	16h36	13	SA1126	17h05	20	0min
TOTAL					29			41	10mins
26/02	SA1125	16h40	16h36	16h38	10	SA1126	17h01	16	0min
28/02	SA1125	16h40	16h23	16h26	16	SA1126	16h51	18	0min
TOTAL					26			34	0min
GRAND TOTAL					127			183	10mins

Statistics in Graph below

MONTH	PAX IN	PAX OUT	DELAY TIME
Jan Morning	157	147	29
Jan Afternoon	186	159	49
Feb Morning	189	124	12
Feb Afternoon	127	183	10
TOTAL PAX FEB			
TOTAL PAX			
INCREASE/DECREASE			

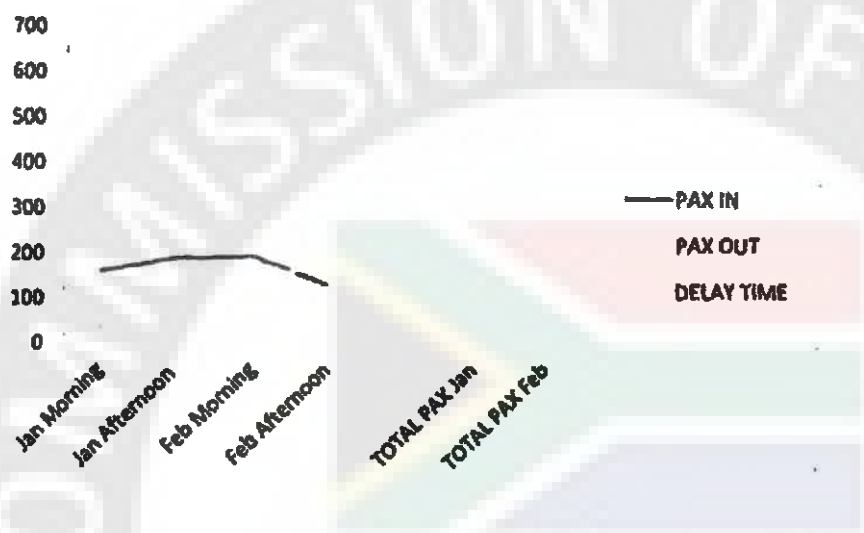
PERFORMANCE, BUSINESS DEVELOPMENT & TRANSFORMATION- FEB

Performance Indicator		Planned target-Feb	Actual performance - Feb	Variance	Reasons on variance/challenge	Plans/Actions to overcome challenges
1	Number of activated boarding times	22	22	0		
2	Adherence to offloading rule	0	5	0	No show of PAX	
3	Staff Attendance	20	20	0		
4	Staff uniform	7	3	4		Request has been submitted for the outstanding Uniform.
5	Training & Requalification	8	7	1	Reservation Course awaiting dates	On the 1 st and 2 nd Feb Marshalling Course has been conducted.
6	Equipment Maintenance	8	8	0		SAX Office replaced all our Check in and Boarding Systems.
7	Apron Area Services	22	22	0		
8	Air Turn back	0	0			
9	Hospitality & Support	0	0	0		
10	Manoeuvring Area Services	22	22	0		
11	Terminal Air Traffic Control Services					We can't access the information due to confidentiality

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12	Stakeholder Relations	4	2	2	Awaiting next meeting end of the month March	
13	Marketing	0	0	0		

Graph



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12. March 2018 Flight Schedule Statistics

Mmabatho station (MBD) is serviced by a 30 seater aircraft CRJ ZS-SOB and ZS-TJB. Standard operating times for our flights are as follows:

Arrival

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax in	Flt no	Chock off	Pax out	Delay time
02/03	SA1123	08h00	07h54	07h57	15	SA1124	08h24	18	0min
05/03	SA1123	08h00	07h56	08h00	29	SA1124	08h22	15	0min
07/03	SA1123	08h00	07h59	08h01	16	SA1124	08h34	17	0min
TOTAL					60			50	0mins
09/03	SA1123	08h00	11h05	1109	13	SA1124	11h35	17	3h5mins
12/03	SA1123	08h00	08h10	08h13	16	SA1124	08h34	18	10mins
14/03	SA1123	08h00	08h08	08h12	25	SA1124	08h31	12	08mins
TOTAL					54			47	3h23mins
16/03	SA1123	08h00	10h46	10h48	15	SA1124	11h13	11	2h46mins
19/03	SA1123	08h00	07h55	07h59	17	SA1124	08h16	11	0min
21/03	SA1123	08h00	07h53	07h56	2	SA1124	08h17	11	0min
TOTAL					34			33	2h48mins
23/03	SA1123	08h00	11h09	11h13	12	SA1124	11h28	10	3h9mins
26/03	SA1123	08h00	08h05	08h09	16	SA1124	08h46	15	05mins
28/03	SA1123	08H00	07H57	07H59	22	SA1124	08H20	13	0min
TOTAL					50			38	3h14mins
GRAND TOTAL					198			168	9h23mins

Reason for these delays is rotation.

Departure

Date	Flt no	Estimated Time Arrival	Landed	Chock on	Pax in	Flt no	Chock off	Pax out	Delay time
02/03	SA1125	16h40	16h32	16h35	19	SA1126	16h56	15	0mins
05/03	SA1125	16h40	16h43	16h46	14	SA1126	17h13	12	3mins
07/03	SA1125	16h40	16h44	16h49	10	SA1126	17h07	16	4mins
TOTAL					43			43	7mins
09/03	SA1125	16H40	16h32	16h35	11	SA1126	16h56	18	0min
12/03	SA1125	16h40	16h39	16h42	11	SA1126	17h02	9	0min
14/03	SA1125	16h40	16h49	16h53	14	SA1126	19h11	21	2h9mins
TOTAL					36			48	2h9mins
16/03	SA1125	16h40	16h34	16h38	12	SA1126	17h04	28	0min
19/03	SA1125	16h40	16h30	16h33	12	SA1126	16h54	11	0min
21/03	SA1125	16h40	16h14	16h17	11	SA1126	16h32	5	0min
TOTAL					35			44	0mins
23/03	SA1125	16h40	16h33	16h36	9	SA1126	16h54	17	0min
26/03	SA1125	16h40	16h41	16h44	12	SA1126	16h58	16	1min
28/03	SA1125	16H40	16h55	16h57	23	SA1126	17h26	28	15mins
TOTAL					44			61	16mins
GRAND TOTAL					158			196	2h32mins

Statistics in Graph below:

MONTH	PAX IN	PAX OUT	DELAY TIME
Feb Morning	189	124	12
Feb Afternoon	127	183	10
Mar Morning	198	168	9.23

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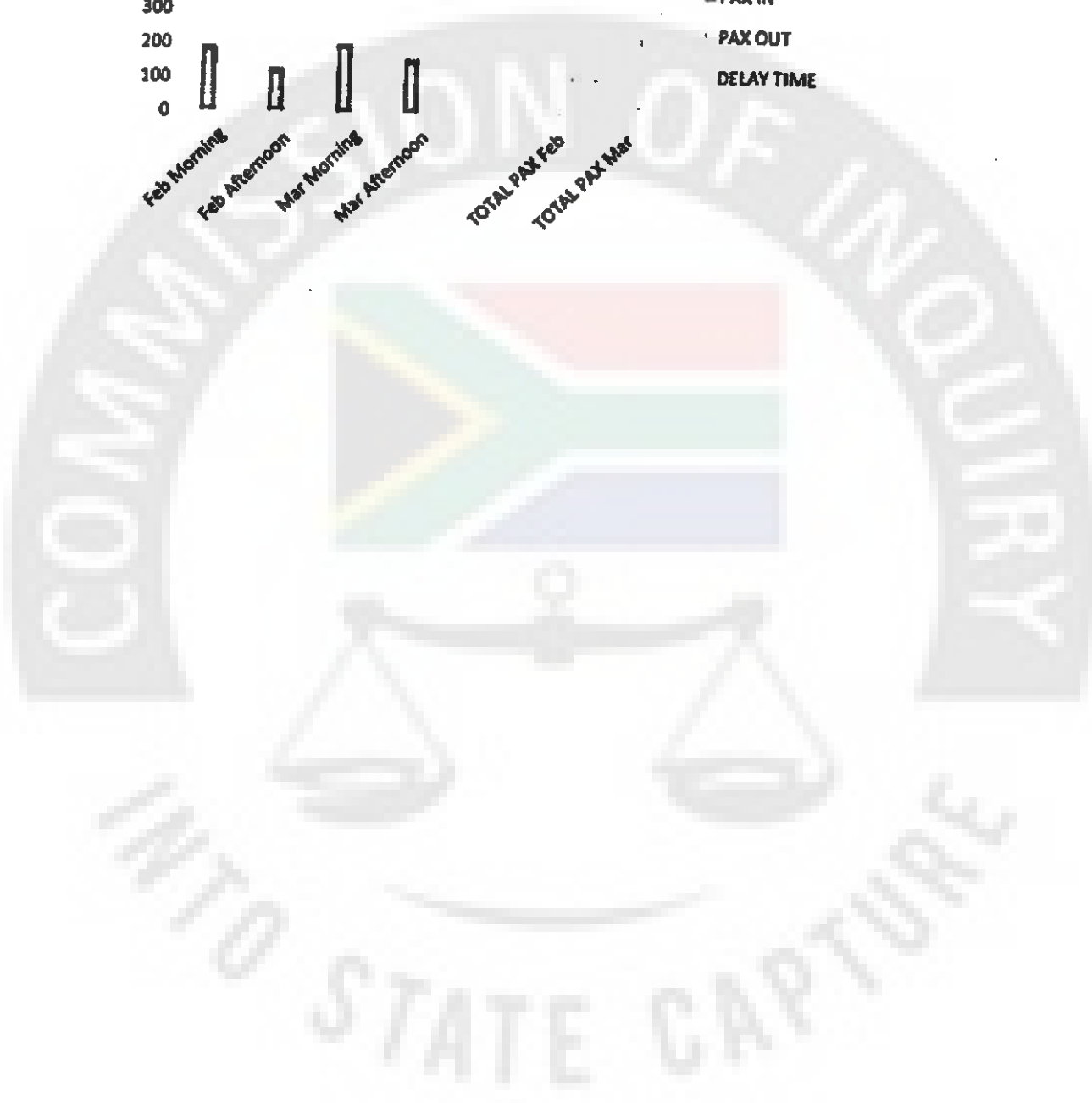
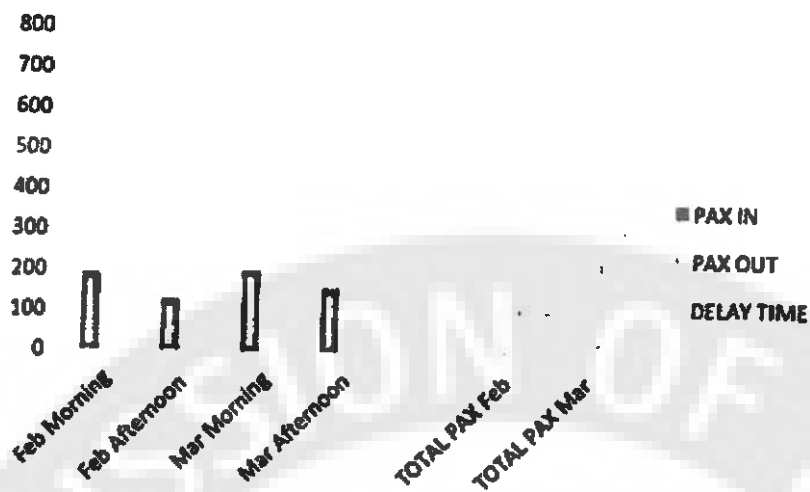
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Mar Afternoon	158	196	2.32

PERFORMANCE, BUSINESS DEVELOPMENT & TRANSFORMATION- MAR

Performance Indicator		Planned target-Mar	Actual performance - Mar	Variance	Reasons on variance/challenge	Plans/Actions to overcome challenges
1	Number of activated boarding times	25	24	1	Good Friday only one flight operated	
2	Adherence to offloading rule	0	36	0	No show of PAX	
3	Staff Attendance	22	22	0		
4	Staff uniform	7	6	1	Male Customer Service Agent has no uniform.	Request has been submitted for the outstanding Uniform.
5	Training & Requalification	8	7	1	Reservation Course awaiting dates	
6	Equipment Maintenance	8	8	0		
7	Apron Area Services	25	24	0	Good Friday only one flight operated	
8	Air Turn back	0	1	1	Due to bad weather in Mahikeng Airport	
9	Hospitality & Support	0	0	0		
10	Manoeuvring Area Services	25	24	0	Good Friday only one flight operated	
11	Terminal Air Traffic Control Services					We can't access the information due to confidentiality
12	Stakeholder Relations	4	2	2	Awaiting next meeting end of the month March	
13	Marketing	0	0	0		

Graph



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Stakeholder Report 2017/18

Business Overview

Pilanesburg Airport Management Company "PAMCO" is a 100% black female owned and managed business. The company is a broad based black empowered facilities management business with a level 1 BBBEE QSE. The entity is well positioned to make a meaningful contribution in the aviation industry of Bokone Bophirima. Our long-term plan is to establish a well-resourced aviation company in Bokone Bophirima entrenching women empowerment and participation in the sector.

PAMCO is appointed as a management company for Pilanesburg International Airport, the company scope of work involves Facilities Management, Airport Handling and Marketing and Adhoc Operational Services. The company has discharged the management responsibility relatively well in its first year of operation guided by the Service Level Agreement signed with SA Express on behalf of the Department of Community Safety and Transport Management.

Business Key Objectives

The Management Company has the following obligations emanating from the Service Level Agreement -

- to ensure that Pilanesburg Airport is at all times in a good and operational condition;
- to ensure that Pilanesburg Airport Facilities is at all times in a good and operational condition;
- to provide the necessary staff (all duly trained) and equipment necessary to perform operations efficiently,
- to do whatever is reasonably within its powers to support the NorthWest Department of Community Safety and Transport Management and SA Express to render and service successful airline services at pilanesburg Airport;
- to ensure that Pilanesburg Airport is clean and presentable through facilities management services;
- to provide additional adhoc services i.e. Marketing and services that support the success of the operations of the airport and its infrastructure;
- to create employment for skilled and unskilled staff; and
- to train and skill youth in aviation operations and facilities management.

Operational Overview

Following the Appointment in June 2017, PAMCO moved quickly to engage and train personnel for the execution of the task. An operational plan was designed taking into account the responsibilities contained in the SLA. The plan included project deliverables on the implementation of Airport Management Strategy, Airport Marketing Strategy, Skills Development and Employment Program as well as ensuring the coordinated functioning of the programs. The following are major tasks underpinning the submitted Project Plan:

- Provide overall planning and coordination for the implementation,
- Provide appropriate training for personnel,
- Ensure that all standard operating procedures applicable to the implementation effort are available when needed,
- Provide all needed assistance,
- Perform site reviews before implementation,
- Ensure that all prerequisites have been fulfilled before and after the implementation date,
- Provide personnel for the implementation team, and
- Prepare site facilities for implementation.

An implementation monitoring and evaluation mechanism was also put in place to enable the contracting authority to access monthly reports for the work done.

Human Resources

PAMCO developed a human resource plan to fit in with the developed strategy for the management of the airport. To date a total of 30 people are employed comprising of both skilled and unskilled persons. The recruitment of staff was carefully done ensure that we attract skilled and experienced people so that we can immediately execute the tasks without compromising the quality of services. Plans are also in place to skill staff members employed at entry level as part of our empowerment plan. Staff compliment according to levels of authority are as follows:

Staff level	Number of Staff	Males	Females
Management	2	0	2
Supervisors	2	1	1
Skilled Staff	4	1	3
Unskilled	22	14	8
Total	30	16	14

As may be inferred the staff compliment is almost evenly distributed in terms of gender, with more females being at the upper echelons of the company's management team.

The management team is made of the following people:

Management	
Operations Director	Thandi Dube
Operations Manager	Zaza Dube
Admin Staff	
Operations Supervisor	Charles Legoale
Admin Clerk	Refilwe Mokutle

- Management is based at Pilanesburg Airport with an allocated office in the airport administration section.

Customer Service Agents	
Senior CSA	Boitumelo Mmolawa
CSA	Itumeleng Matilo
CSA	Daphney Moabi
Baggage Handlers	
Baggage Handler	Gladys Mokwane
Baggage Handler	Tebogo Jackson
Baggage Handler	Patrick Ngakanyane

- Pamco appointed 3 skilled and trained CSA 's and 3 skilled baggage handlers at the beginning of the contract in line with the requirements of the SLA.
- Upon the arrival at the operational site, operational challenges with SA Express especially SA Express staff including Maureen Jacobs were experienced regarding who should manage the CSA's and the Baggage handlers.
- The trained CSA staff have been employed by Pamco and they have had to stay at home or perform adhoc functions because SA Express staff refused give them access to the system to operate.
- A decision was made on the side of PAMCO to keep the staff on the employment whilst disputes were being resolved. The intention was to ensure that at any stage when we are given access to the site our staff is available and ready to execute.

- The baggage handlers are assisting the SA Express employed staff in daily operations and they handle the aircraft turnaround.

Staff level	Admin	CSA	Baggage Handlers	Cleaners	Gardeners	General Staff
Skilled Staff	4	3	0	0	0	0
Unskilled Staff		0	3	8	10	2
Total	4	3	3	8	10	2

- The unskilled staff are made up of Gardeners, cleaning staff and general workers
- The staff have clear deliverables and targets

The table below shows the training and recruitment done in for the first year of operation:

Training & Recruitment			
Staff Recruitment - Recruitment of skilled staff	1. Gardening Staff - Done 2. Cleaning Staff - Done 3. Handling staff - Done	PAMCO	1. Gardening Staff - 6 2. Cleaning Staff - 5 3. Handling staff - 5 - (3 X CSA and 2 X GW)
Staff Training	1. Gardening Staff - Done 2. Cleaning Staff - Done 3. Handling staff - Done	PAMCO	1. Gardening Staff - 6 2. Cleaning Staff - 5 3. Handling staff - 5
Site Supervisor Training	Supervisor/ Manager - Done	PAMCO	1
SHEQ Training	1. Gardening Staff - Done 2. Cleaning Staff - Done 3. Handling staff - TBC	PAMCO	1. Gardening Staff - 6 2. Cleaning Staff - 5 3. Handling staff - 5 TBC
Airport Airside Training	1. Gardening Staff - Done 2. Cleaning Staff - Done 3. Handling staff - Done	North West DCS & TM	1. Gardening Staff - 6 2. Cleaning Staff - 5 3. Handling staff - 5 TBC
Security Procedures Familiarisation	1. Gardening Staff - Done 2. Cleaning Staff - Done 3. Handling staff - Done	PAMCO	1. Gardening Staff - 6 2. Cleaning Staff - 5 3. Handling staff - 5

The implementation of the schedule was disrupted by the unwillingness of SA Express to allow CSA's to execute their responsibilities but we did our best on areas where we had control.

Operational Plan

Pilanesburg International Airport - Management Company PAMCO - Operational Plan			
Task	Objective	Project Champion	Start
Site Management & Inspection			
Daily	Airport Facility Inspection, Airport Grounds Inspection, Airport Airside Inspection	PAMCO & NW DCS & TM Airport Manager	N/A
Weekly	Airport Facility Inspection, Airport Grounds Inspection, Airport Airside Inspection	PAMCO & NW DCS & TM Airport Manager	N/A
Monthly	Airport Facility Inspection, Airport Grounds Inspection, Airport Airside Inspection	PAMCO & NW DCS & TM Airport Manager	N/A
Quarterly	Airport Facility Inspection, Airport Grounds Inspection, Airport Airside Inspection	NW DCS & TM and CAA - Civil Aviation Authority	N/A
Airport Grounds and Airside			
Gardening	Gardening - Maintenance, Repairs and upkeep	PAMCO	YES
Airport Grounds and Airport Entrance Beautification Project	Revamp of Garden and Grounds	PAMCO	YES
Airside - Grass Cutting/ De-weeding as per Airport and CAA Requirements	Upkeep and Maintenance of Grass and Trees	PAMCO	YES
Airport Facilities Management			
Facilities Management scope of work	Scope of work and Standard Operating Procedures	PAMCO	YES
Facilities Management scope of work Implementation	Scope of work and Standard Operating Procedures	PAMCO	YES
Facilities Maintenance and Repairs	As per Requirement	PAMCO	YES
Facilities inspection by North West DCS & TM	As per Agreement	PAMCO & NW DCS & TM and Airport Manager	YES
Airport Handling			
Staff Recruitment	Done - Experienced & Trained staff from previous operation have been recruited and are ready to start	PAMCO	YES
Staff Training	Identified staff are all trained and experience and have worked at the airport before	N/A	YES
Airport Standard Operating Procedures Familiarisation	All staff familiar with Airport Standard Operating Procedures	N/A	N/A
Handover from Airline to Management Company	Not Done - will be done and facilitated by NW DCS & TM	PAMCO & NW DCS & TM and Airport Manager	N/A

Operations Report

Flights and Pax

Since PAMCO's appointment in June 2017, the airport recorded satisfactory passenger statistics through the combined efforts of SA Express CSA's and our Baggage Handling team. During the same period, SA Express operated on the designated days as per the weekly schedule every week, with 2 flights per day. We did not include the statistics for the first 2 months of the financial year because we could only gain access to the site prior to June 2017.

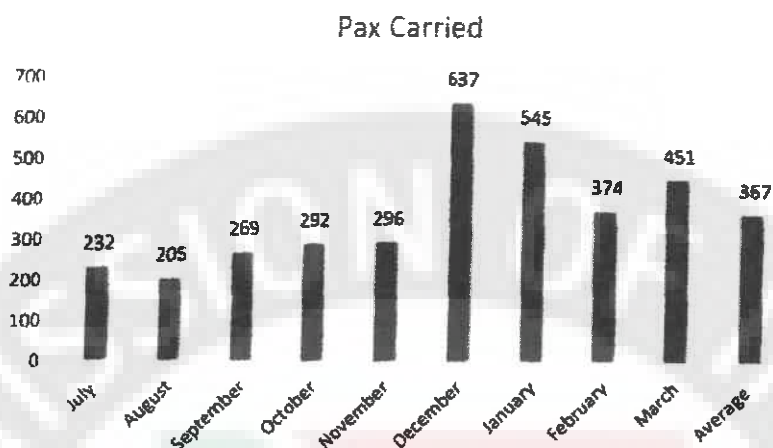
Month	Pax Carried	Pax Booked	Delays	Cancelled Flights
July	232	265	6	4
August	205	204	3	1
September	269	239	4	2
October	292	294	3	2
November	296	344	7	10
December	637	674	3	3
January	545	590	6	4
February	374	409	5	3
March	451	465	7	2
Total	3301	3484	44	31
Average	367	387	5	3

- **Passengers** – The Route is performing well, with an average of 360 passengers carried monthly on flights out of Pilanesburg International airport. The total passengers carried for the period July 2017 to March 2017 is a total of 3301 Passengers
- **Delays** – Delays from SA Express flights continue to pose the biggest challenge to operations and this negatively impacts passengers. There was a total of 44 flight delays with an average of 5 delays a month.
- **Cancelled Flights** – cancellation of flights is a big problem; the passengers are often inconvenienced and it creates problems for operations and customer confidence. The customers often cancel bookings or even doubt booking because of flight cancellations. A common solution needs to be implemented going forward to limit this negative factor and mitigate customer confidence and travel.

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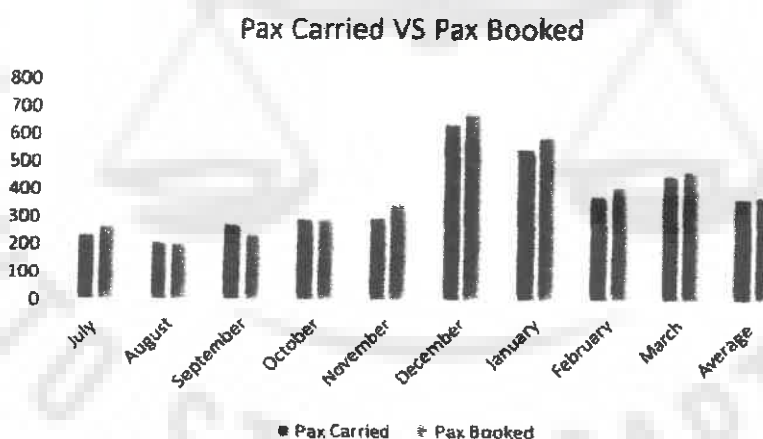
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Passengers



- An average of 367 passengers have been carried over 10 months
- Passengers peak during the holiday season of December holidays and Easter Weekend hence the passengers carried are above 400
- The passenger's numbers are also gradually picking up in 2018 because of stabilised operations and increased marketing

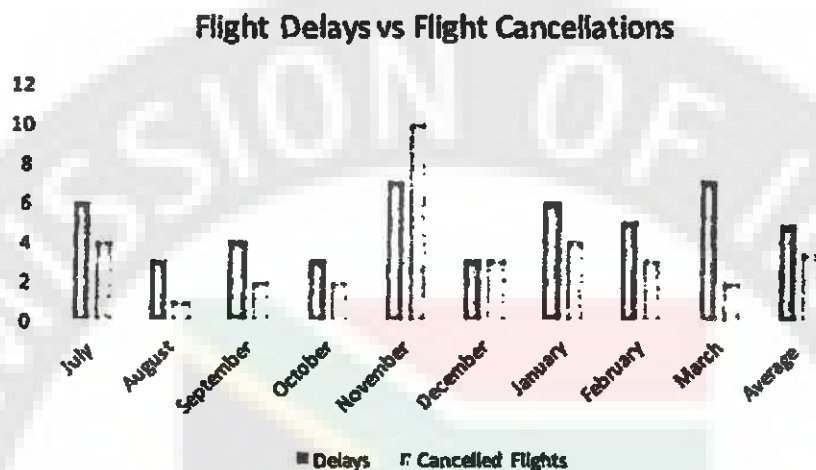
Passengers Carried and Passengers Booked



- Passenger bookings versus passenger carried is a small differential

- The only time there is a big difference is when there are major flight schedule interruptions i.e.: Flight delays and Flight Cancellations

Flight Delays and Cancellations



- Flight delays and cancellations continue to be a challenge for operations at Pilanesburg
- Passengers are inconvenienced often and are this has a negative impact on customer confidence
- An integrated plan is needed to improve flights being on time and reducing flight cancellations and delays. Once this happens and operations stabilise. Passenger numbers will increase.

Flights Details by Month

PASSENGERS CARRIED OUT OF PILANESBERG

MONTH: JULY 2017

Date :	Flight	Sector	Sector	Total Carried	Infants	Booked	Cxd
03-Jul	SA 1134	NTY	JNB	9		9	
03-Jul	SA 1254	NTY	CPT	12	1	13	
07-Jul	SA 1134	NTY	JNB	6		7	
07-Jul	SA 1256	NTY	CPT	30	1	31	
10-Jul	SA 1134	NTY	JNB	4	1	7	
10-Jul	SA 1256	NTY	CPT	34		34	
14-Jul	SA 1134	NTY	JNB	Cancelled		Cancelled	1
14-Jul	SA 1256	NTY	CPT	Cancelled		Cancelled	1
16-Jul	SA 1256	NTY	JNB	24		48	
17-Jul	SA 1134	NTY	JNB	7	1	8	
17-Jul	SA 1256	NTY	CPT	22		22	
21-Jul	SA 1134	NTY	JNB	9		9	
21-Jul	SA 1256	NTY	CPT	32		32	
24-Jul	SA 1134	NTY	JNB	6		6	
24-Jul	SA 1256	NTY	CPT	13		13	
28-Jul	(a)SA1134	NTY	JNB	4		4	
28-Jul	SA 1256	NTY	CPT	Cancelled		Cancelled	1
28-Jul	(b)SA1134	NTY	JNB	17	1	18	
31-Jul	SA1256	NTY	CPT	Cancelled		Cancelled	1
31-Jul	SA1255	NTY	JNB	10		10	
Total Pax Carried				232	6	295	4

PASSENGERS CARRIED OUT OF PILANESBERG

MONTH: AUGUST 2017

Date :	Flight	Sector	Sector	Total Carried	Infants	Booked	Cxd
04-Aug	SA 1134	NTY	JNB	4	0	4	
04-Aug	SA1256	NTY	CPT	9	0	9	
07-Aug	SA 1134	NTY	JNB	3	0	3	
07-Aug	SA 1256	NTY	CPT	35	2	35	
11-Aug	SA 1134	NTY	JNB	9	0	10	
11-Aug	SA 1256	NTY	CPT	22	0	22	
14-Aug	SA 1134	NTY	JNB	14	0	16	
14-Aug	SA 1256	NTY	CPT	7	0	7	
16-Aug	SA 1134	NTY	JNB	7	0	7	
16-Aug	SA 1256	NTY	CPT	18	0	18	
21-Aug	SA 1134	NTY	JNB	23	0	23	
21-Aug	SA1256	NTY	CPT	20	0	20	
25-Aug	SA 1134	NTY	JNB	1	0	1	
25-Aug	SA 1256	NTY	CPT	22	0	22	
28-Aug	SA 1134	NTY	JNB	4	0	4	
28-Aug	SA1256	NTY	CPT				1
28-Aug	SA1135	NTY	JNB	11	0	11	
Total Pax Carried				205	2	204	1

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MONTH: SEPTEMBER 2017

Date :	Flight	Sector	Sector	Total Carried	Infants	Booked	Cxd
01-Sep	SA1256	NTY	CPT	CXD	CXD	CXD	1
02-Sep	SA1136	NTY	JNB	11	0	13	
04-Sep	SA1134	NTY	JNB	3	0	3	
04-Sep	SA1256	NTY	CPT	14	1	18	
06-Sep	SA1134	NTY	JNB	9	0	9	
06-Sep	SA1256	NTY	CPT	10	0	10	
11-Sep	SA1134	NTY	JNB	7	0	7	
11-Sep	SA1256	NTY	CPT	24	1	25	
15-Sep	SA1134	NTY	JNB	4	0	4	
15-Sep	SA1256	NTY	CPT	16	0	16	
18-Sep	SA1134	NTY	JNB	6		6	
18-Sep	SA1256	NTY	CPT	24	0	24	
22-Sep	SA1134	NTY	JNB	0	0	3	
22-Sep	SA1256	NTY	CPT	30	1	41	
25-Sep	SA1134	NTY	JNB	12	0	13	
25-Sep	SA1256	NTY	CPT	29	0	29	
29-Sep	SA1134	NTY	JNB	14	0	15	
29-Sep	SA1256	NTY	CPT	46	0	46	
Total Pax Carried				260	3	230	1

MONTH: November 2017

Date :	Flight	Sector	Sector	Total Carried	Infants	Booked	Crd
01-Nov	SA 1134	NTY	JNB	5	0	5	
01-Nov	SA 1256	NTY	CPT	8	1	6	
03-Nov	SA 1134	NTY	JNB	25	1	20	
03-Nov	SA 1256	NTY	CPT	Cancelled	Cancelled	Cancelled	1
05-Nov	SA 1134	NTY	JNB	5	1	8	
05-Nov	SA 1256	NTY	CPT	Cancelled	Cancelled	Cancelled	1
06-Nov	SA 1134	NTY	JNB	17	0	20	
06-Nov	SA 1256	NTY	CPT	Cancelled	Cancelled	Cancelled	1
08-Nov	SA 1134	NTY	JNB	7	0	14	
08-Nov	SA 1256	NTY	CPT	Cancelled	Cancelled	Cancelled	1
10-Nov	SA 1134	NTY	JNB	5	0	5	
10-Nov	SA 1256	NTY	CPT	Cancelled	Cancelled	Cancelled	1
10-Nov	SA 1136	NTY	JNB	5	0	5	
12-Nov	SA 1256	NTY	CPT	24	0	24	
13-Nov	SA 1134	NTY	JNB	4	0	5	
13-Nov	SA 1256	NTY	CPT	20	0	41	
16-Nov	SA 1134	NTY	JNB	11	0	16	
16-Nov	SA 1256	NTY	CPT	Cancelled	Cancelled	Cancelled	1
17-Nov	SA 1134	NTY	JNB	11	0	11	
17-Nov	SA 1136	NTY	JNB	18	1	23	
19-Nov	SA 1136	NTY	JNB	0	0	0	
20-Nov	SA 1134	NTY	JNB	10	0	10	
20-Nov	SA 1256	NTY	CPT	18	0	18	
22-Nov	SA 1134	NTY	JNB	10	1	17	
22-Nov	SA 1256	NTY	CPT	Cancelled	Cancelled	Cancelled	1
24-Nov	SA 1134	NTY	JNB	21	0	27	
24-Nov	SA 1256	NTY	CPT	Cancelled	Cancelled	Cancelled	1
26-Nov	SA 1136	NTY	JNB	11	0	11	
26-Nov	SA 1256	NTY	CPT	Cancelled	Cancelled	Cancelled	1
27-Nov	SA 1134	NTY	JNB	5	0	5	
27-Nov	SA 1256	NTY	CPT	24	0	24	

29-Nov	SA 1134	NTY	JNB	12	0	12	
29-Nov	SA 1256	NTY	CPT	Cancelled	Cancelled	Cancelled	1
Total Pass Carried				206	5	344	10

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PASSENGERS CARRIED OUT OF PILANESBERG

MONTH: DECEMBER 2017

Date :	Flight	Sector	Sector	Total Carried	Infants	Booked	Cxd
01-Dec	SA 1132	NTY	JNB	6	2	8	
01-Dec	SA1134	NTY	JNB	25	0	27	
03-Dec	SA 1256	NTY	CPT	35	0	35	
04-Dec	SA 1134	NTY	JNB	3	0	3	
04-Dec	SA 1332	NTY	JNB	13	0	13	
06-Dec	SA 1134	NTY	JNB	1	0	1	1
06-Dec	SA 1256	NTY	CPT	21	1	22	
08-Dec	SA 1135	NTY	NTY	7	2	9	
08-Dec	SA 1256	NTY	CPT	45	0	48	
10-Dec	SA1256	NTY	CPT	CXD	CXD	CXD	
10-Dec	SA1135	NTY	JNB	22	3	25	
11-Dec	SA 1134	NTY	JNB	22	0	24	
11-Dec	SA 1256	NTY	CPT	23	0	23	
13-Dec	SA 1134	NTY	JNB	5	0	13	
13-Dec	SA1256	NTY	CPT	CXD	CXD	CXD	1
15-Dec	SA1134		JNB	7	0	7	
15-Dec	SA1256		CPT	47	1	48	
17-Dec	SA1256	NTY	CPT	38	0	38	
18-Dec	SA1134	NTY	JNB	15	0	20	
18-Dec	SA1256	NTY	CPT	29	0	30	
20-Dec	SA1134	NTY	JNB	5	0	6	
20-Dec	SA1256	NTY	CPT	27	0	27	
22-Dec	SA1134	NTY	JNB	19	1	20	
22-Dec	SA1256	NTY	CPT	45	0	45	
24-Dec	SA1256	NTY	CPT	18	0	18	
26-Dec	SA1134	NTY	JNB	5	0	6	
26-Dec	SA1256	NTY	CPT	46	2	48	

27-Dec	SA1134	NTY	JNB	12	1	14	
27-Dec	SA1256	NTY	CPT	19	0	19	
29-Dec	SA1134	NTY	JNB	15	0	15	
29-Dec	SA1256	NTY	CPT	45	0	47	
31-Dec	SA1134	NTY	JNB	15	0	19	
31-Dec	SA1256	NTY	CPT	CXD	CXD	CXD	1
Total Pax Carried				637	12	674	3

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PASSENGERS CARRIED OUT OF PILANESBERG
MONTH: JANUARY 2018

Date :	Flight	Sector	Sector	Total Carried	Infants	Booked	Cxd
01-Jan	SA 1132	NTY	JNB	8	2	8	
01-Jan	SA1134	NTY	JNB	25	0	27	
03-Jan	SA 1256	NTY	JNB	37	0	38	
03-Jan	SA1258	NTY	CPT	25	1	30	
05-Jan	SA 1134	NTY	JNB	28	1	37	
05-Jan	SA 1256	NTY	CPT	41	1	42	
07-Jan	SA 1256	NTY	CPT	17	0	17	
08-Jan	SA 1134	NTY	NTY	12	0	12	
08-Jan	SA 1256	NTY	CPT	7	0	7	
10-Jan	SA1134	NTY	JNB	18	0	20	
10-Jan	SA1256	NTY	CPT	24	0	25	
12-Jan	SA 1134	NTY	JNB	11	1	12	
12-Jan	SA 1256	NTY	CPT	45	1	46	
14-Jan	SA 1256	NTY	CPT	CXD	CXD	CXD	1
14-Jan	SA1134	NTY	JNB	29	0	29	
15-Jan	SA1134		JNB	6	0	6	
15-Jan	SA1256		CPT	45	0	45	
17-Jan	SA1134	NTY	JNB	0	0	0	
17-Jan	SA1256	NTY	CPT	4	0	4	
19-Jan	SA1134	NTY	JNB	11	0	11	
19-Jan	SA1256	NTY	CPT	32	1	38	
22-Jan	SA1134	NTY	JNB	2	0	11	
22-Jan	SA1256	NTY	CPT	31	1	32	
24-Jan	SA1134	NTY	JNB	0	0	0	
24-Jan	SA1256	NTY	CPT	4	0	6	
26-Jan	SA1134	NTY	JNB	CXD	CXD	CXD	1
26-Jan	SA1256	NTY	CPT	44	3	47	

29-Jan	SA1134	NTY	JNB	28	0	28	
29-Jan	SA1256	NTY	CPT	CXD	CXD	CXD	1
31-Jan	SA1134	NTY	JNB	0	0	0	
31-Jan	SA1256	NTY	CPT	14	0	14	
Total Pax Carried				545	12	590	3

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PASSENGERS CARRIED OUT OF PILANESBERG

MONTH:

FEBRUARY

2018

Date :	Flight	Sector	Sector	Total Carried	Infants	Booked	Cxd
02-Feb	SA 1134	NTY	JNB	5	0	5	
02-Feb	SA1256	NTY	CPT	42	1	48	
05-Feb	SA 1134	NTY	JNB	0	0	0	
05-Feb	SA1256	NTY	CPT	34	0	37	
07-Feb	SA 1134	NTY	JNB	12	0	15	
07-Feb	SA 1256	NTY	CPT	CXD	CXD	CXD	1
09-Feb	SA1134	NTY	JNB	9	0	9	
09-Feb	SA 1256	NTY	CPT	46	0	46	
12-Feb	SA 1134	NTY	NTY	13	1	14	
12-Feb	SA 1256	NTY	CPT	20	0	20	
14-Feb	SA1134	NTY	JNB	2	0	2	
14-Feb	SA1256	NTY	CPT	CXD	CXD	CXD	1
16-Feb	SA 1134	NTY	JNB	11	0	15	
16-Feb	SA 1256	NTY	CPT	42	0	42	
19-Feb	SA 1256	NTY	CPT	CXD	CXD	CXD	
19-Feb	SA1134	NTY	JNB	6	0	6	
19-Feb	SA1136	NTY	JNB	23	0	23	
21-Feb	SA1134	NTY	JNB	8	0	17	
21-Feb	SA1256	NTY	CPT	CXD	CXD	CXD	1
23-Feb	SA1134	NTY	JNB	0	0	2	
23-Feb	SA1256	NTY	CPT	42	1	43	
26-Feb	SA1134	NTY	JNB	3	0	5	
26-Feb	SA1256	NTY	CPT	29	0	33	
28-Feb	SA1134	NTY	JNB	9	0	9	
28-Feb	SA1256	NTY	CPT	18	0	18	
Total Pax Carried				374	3	409	3

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PASSENGERS CARRIED OUT OF PILANESBERG

MONTH: MARCH 2018

Date :	Flight	Sector	Sector	Total Carried	Infants	Booked	Cxd
02-Mar	SA 1134	NTY	JNB	8	0	8	
02-Mar	SA1256	NTY	CPT	45	1	45	
05-Mar	SA 1134	NTY	JNB	3	0	3	
05-Mar	SA1256	NTY	CPT	6	1	7	
07-Mar	SA 1134	NTY	JNB	0	0	0	
07-Mar	SA 1256	NTY	CPT	27	0	27	
09-Mar	SA1134	NTY	JNB	8	0	8	
09-Mar	SA 1256	NTY	CPT	21	0	21	
12-Mar	SA 1134	NTY	NTY	5	1	5	
12-Mar	SA 1256	NTY	CPT	CXD	CXD	CXD	1
12-Mar	SA1555	NTY	JNB	14	1	15	
14-Mar	SA1134	NTY	JNB	8	0	8	
14-Mar	SA1256	NTY	CPT	25	0	27	
16-Mar	SA 1134	NTY	JNB	3	0	3	
16-Mar	SA 1256	NTY	CPT	13	0	13	
18-Mar	SA 1134	NTY	JNB	2	0	2	
18-Mar	SA 1256	NTY	CPT	10	2	12	
21-Mar	SA1134	NTY	JNB	8	0	8	
21-Mar	SA1256	NTY	CPT	33	0	34	
23-Mar	SA1134	NTY	JNB	5	0	5	
23-Mar	SA1256	NTY	CPT	36	1	39	
25-Mar	SA1133	NTY	JNB	21	0	21	
26-Mar	SA1134	NTY	JNB	15	0	15	
26-Mar	SA1256	NTY	CPT	19	1	20	
28-Mar	SA1134	NTY	JNB	15	0	15	
28-Mar	SA1256	NTY	CPT	43	0	45	
30-Mar	SA1134	NTY	JNB	22	0	22	
30-Mar	SA1256	NTY	CPT	36	1	37	
Total Pax Carried				461	9	465	

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Route Marketing

Strategic Marketing Plan - Piñanesburg International Airport						
Marketing Activity	Objectives	Month	Duration	Marketing Media	Entity	Audience/ Customer Reach
Generic Marketing	Marketing	August 17 - September 17	2 months	Radio	SA FM	3 789 000 Listeners Daily
Route/Flight Awareness - Piñanesburg - Johannesburg & Piñanesburg - Cape town	Flight Marketing & Awareness Tourism Promotion	October 17 - December 17	3 months	Radio	North West FM	212 000 Listeners Daily
			3 months	Newspapers	Rustenburg Herald Platinum Weekly	32 000 Readers Weekly 18 000 Readers Weekly
			6 months	Pamphlets	Piñanesburg Airport	
Route/ Flight Promotion - December	Flight Marketing & Promotion Tourism Promotion	December '17	1 Month	Radio	North West FM Mafisa FM	212 000 Listeners Daily 67 000 Listeners Daily
				Newspapers	Rustenburg Herald	32 000 Readers
Route/ Flight Promotion - Easter	Flight Marketing & Promotion Tourism Promotion	February 18 - April 18	3 Months	Radio	North West FM Mafisa FM	212 000 Listeners Daily 67 000 Listeners Daily
				Newspapers	Rustenburg Herald Platinum Weekly	32 000 Readers 18 000 Readers Weekly

The route marketing plan for Piñanesburg International Airport was implemented over a period of 10 months using various marketing and communication mediums. A combination of Radio and print media was used to promote the airport and flights on an on-going basis.

The marketing platforms used were used to engage different customers in different market segments. The regional radio stations have yielded the biggest return on marketing investment. The engagement is robust and the platforms enables and engaged potential travellers on an on-going basis.

Successes

- Robust Radio Campaign
- Attraction of new customers
- Realisation of increased bookings originating from Piñanesburg and Greater Rustenburg region
- Engagement with Rustenburg Local Municipality

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- Engagement with Regional Tourism stakeholders

Challenges

- Long Turnaround times for approval of artwork and campaigns from the department representatives
- Inability to implement an integrated marketing strategy with North West Tourism
- Non-availability of departmental representatives for Radio interviews
- Non-participation by SA Express

Opportunities

- Greater collaboration with Tourism Stakeholders
- Greater collaboration with SA Express and Department representatives
- Implementation of integrated marketing plan with North West Tourism and SA Tourism

Opportunity Benefits

- Increased passengers

Facilities Management

Task	Objective
Airport Grounds and Aircraft-side	
Gardening	Gardening - Maintenance, Repairs and upkeep
Airport Grounds and Airport Entrance Beautification Project	Revamp of Garden and Grounds
Tree Felling	Maintenance
Perimeter Fencing Maintenance	Fence Maintenance ITO CAA Requirements
Airside - Grass Cutting/ De-weeding as per Airport and CAA Requirements	Upkeep and Maintenance of Grass and Trees
Airport Facilities Management	
Facilities Maintenance and Repairs	Done
Machinery & Tooling Repairs	Done
Building Maintenance	In Progress

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Milestone Funded Projects

- **Upgrade/ Revamp of Emergency Room at Airport**
 - Bedding and mattresses
 - First Aid Kit Boxes
 - Emergency Tool Box
 - PA System
 - Fitting and Fixtures
- **Generator Repairs & Maintenance**
- **Toilets Upgrade and Maintenance**
- **General building Plumbing upgrade**
- **Signage – Airport Entrance (in Progress)**

Additional Planned Projects

- **Upgrade of Lounge and holding Areas**
- **Upgrade of Airport Entrance including guard house**
- **Additional beautification of grounds and gardens**

Security Services

Pamco as a management company assumes an oversight role on the security company at the airport. Pamco oversaw the transition and handover of the departure of White Leopard Security services and the take-over of Shaya Security Services.

There is on-going monitoring and engagement with Shaya security, this is important as Security is critical part of the functioning of the airport. The compliance requirements from South African Civil Aviation - SACAA, Air Traffic Navigation Services – ATNS, SA Express – SAX, North West DCS & TM.

What is important going forward is a greater oversight and a better working relationship with all Stakeholders to ensure 100% compliance with CAA, ATNS etc. there is needs to be more robust engagement on an on-going basis to better monitor risk and compliance for the greater functionality of the Aerodrome.

The department with the management company need to have an integrated strategy with the security company to ensure the airports continually comply and pass the Audits and the airport retains its certification and Aerodrome licence to operate.

Air Traffic Navigation Services

The Department and the Management Company need to have a greater integrated collaborative strategy with the Aerodrome Air Traffic Navigation Services for:

- Functionality
- Improved Aerodrome Services
- Longer and Adhoc Opening and Closing times for Diversion Points/ Flights
- Increased traffic flows for non-commercial and military flights

ATNS is a core function of the aerodrome and it needs to be monitored better by the department and the management company to ensure compliance and increase the commercial viability of the flights.

SA Weather Services

The management company has no relationship with SA Weather services at Pilanesburg International Airport. This is an identified GAP and a growth area in the next financial year. The Weather information will be great for flights, Travelling Passengers, Airport stakeholders and the tourism sector in the greater pilanesburg area.

The Way Forward

Looking forward to the year ahead 2018/19 PAMCO will continue to improve the service provision at the Pilanesburg Airport, the Management company will work with the department in the continued implementation of the integrated aerodrome management program as well as the sustainable implementation of the commercialisation of the airport and improvement of airport Infrastructure. Skills Development and Training of staff will be a continual focus and specialist aviation skills as well.

PAMCO will work with all the airport stakeholders for the continued compliance of the aerodrome facilities and make sure all the with the relevant stakeholder the airport remains compliant with all stakeholders CAA, SA Weather Services, ATNS, SA Express, Provincial departments and other interlinked stakeholders.

PAMCO will continue to promote and market the airport, operations and operated flights to improve awareness, grow passenger numbers, improve the tourism and business economic benefits and improve the commercial sustainability of the airports. The current achievements can only grow and prosper the airports, the province, the customers and stakeholders

PAMCO will continue to manage and improve all stakeholder relationships

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Conclusion

The Inaugural year of operation for PAMCO had many milestone, achievement, lessons learned and challenges resulting from the negative relationship by some of the SA Express officials. As a company, we worked hard under difficult circumstances to execute the tasks assigned to us in order to ensure that the operations of the airport is at optimal level. The cooperation of various stakeholders including the Department for Community Safety and Transport Management has been excellent and helpful to us ensuring that no adverse findings are received from the regulators. Our appeal is for the Department to assist in harmonising the relationship with other parties, especially SA Express. The current state of affairs is counterproductive and limits the province of full sustainability, a lot can still be achieved together.

PAMCO welcomes the continued integrated management and measurement framework from all stakeholders that ensures all parties successfully contribute to the growth in passenger numbers, the growth in tourism and the enabling of sustainable aviation services in the province. The inaugural year of PAMCO operation also yields lesson learned which can be improved going forward as well as many commendable milestones with the service provision and milestones achieved.

PAMCO remains committed to working with all stakeholders as per the signed SLA, delivering on the deliverable outlined in the SLA and continually servicing the Pilanesburg Airport with a good service. PAMCO continues to implement the North West Province airlift strategy and making the airport compliant and operation with the province delivering on its mandate and seeing the benefits of economic and tourism spinoffs from the successful implementation of the airlift strategy.

THANK YOU

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BM7



TAX INVOICE



Halcyon (PTY) LTD T/A Pilesburg Airport Management Company

Address: 21 Main Street, Maadhoet Building, 2nd Floor, Office #8

Postal: PO Box 4587, Mmabatho, North West, 2725

Email: pilanesburgamc@gmail.com

Tel/ Cell: +27 78 092 6868

CLIENT DETAILS

Client Name North West Department Of Community Safety & Transport Management
Client Phone 018 381 9100
Client Address 3rd Floor, Tirelo Building, Dr Albert Luthuli Drive, Mahikeng, 2745

Invoice No 101
Invoice Date 09-May-18
Account Number NWCSTM-001

Item	Description	Qty	Rate	Total
Service	Pilanesburg - Route Marketing Subsidy	1	4 550 000,00	R 4 550 000,00
Service	Pilanesburg - Airport Operating Costs	1	11 000 000,00	R 11 000 000,00

Banking Details

Bank Name: FNB
Branch: Mahikeng
Branch Number: 240340
Account Type: Business Cheque
Account No: 626 8995 2317
Account Name: Halcyon (PTY) LTD
Reference: Client Invoice No

Subtotal excl. VAT	R 15 550 000,00
VAT @ 15%	R 0,00
TOTAL	R 15 550 000,00
TOTAL BALANCE DUE	R 15 550 000,00

THANK YOU

**IN THE JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE
CAPTURE, CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS
OF STATE**

AFFIDAVIT

I, the undersigned,

KUTLWANO PHATHUDI

Do hereby state the following under oath:

1. I am an adult female person residing at Mafikeng and employed by Department of Community Safety and Transport in the North West Province as the Chief Financial Officer since July 2013.
2. The facts to which I depose to are true and correct and are within my personal knowledge except where it is apparent from the context that they are not.
3. I have been implicated in paragraph 24 of Mr. Timothy Nhlanhla Ngwenya's affidavit as one the beneficiaries in the alleged corrupt activities involving South African Express Airways, Koroneka Trading and Projects, North West Department of Community Safety and Transport officials and some political figures mentioned therein, relating to the ground handling at Mafikeng and Pilanesberg airports..

A.L.N. 

- 4 I was served with rule 3.3 notice to afford me an opportunity to comment and put up my version to the allegations as they relate to me and as requested by the Commission of Inquiry into State Capture, Corruption and Fraud in the Public Sector, including Organs of State to assist it in its inquiry.
- 5 I also had an opportunity to listen to the recordings referred to in paragraph 24 and paragraph 31 of Mr. Ngwenya's affidavit.
- 6 I understood the content of the recordings to contain discussions between Mr. Brian Van Wyk and Ms Tlatsana where Mr. Van Wyk alleges that he also needs to pay the CFO, amongst other people he mentioned, in terms of the alleged agreements reached. It also appears in the recording that the alleged amount agreed upon was not yet paid to other people including the CFO, at the time.
- 7 I confirm that I know both Ms Tlatsana and Mr Van Wyk. I know Ms Tlatsana as one of the residents and business people in Mafikeng and I only met Mr Van Wyk during the official meetings between Departmental Officials and South African Express Airways relating to the Mafikeng and Pilanesberg Airport.
- 8 I wish to categorically state that I never had any one on one meeting and/or private meeting with Mr. Van Wyk at any stage to this day. At all material times, I met him in a formal departmental meeting setup with and in front of my colleagues.
9. I do not have and I never had cellphone contact details of Mr. Van Wyk at any stage. To that end, I had never called him at any time and he equally never called me except the follow up calls I will receive from his office on payments of South African Express Airways invoices.

A.L.N.



10. I communicated with Mr. Van Wyk, mainly through emails and in the formal meetings between the institutions and I recall that Mr. Van Wyk called me only once regarding the documents he was struggling to email and he requested to forward same in separate emails due to voluminous nature of the documents.
11. I was and still stunned to learn that Mr. Van Wyk, included my name or position, on these allegations involving corruption activities. I have no knowledge of these allegations as I am, first and foremost, not a corrupt and secondly I was never part of any discussions relating to payment of bribes and/or kickbacks and thirdly I have never received any payment, money or bribe from anybody and even if it was offered I would not have accepted it as I receive my salary for performing my official duties.
12. I once again emphatically deny the allegations in paragraph 24 as they relate to me.


DEPONENT

I hereby certify that the deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn to before me, Commissioner of Oaths, at Braamfontein..... on this the 20th day of June, 2019 the regulations contained in Government Notice No R1258 of 21 July 1972, as amended, and Government Notice No R1648 of 19 August 1977, as amended, having been complied with.


COMMISSIONER OF OATHS

FULL NAMES:

ADDRESS: **Akhona Lucas Nobetsu**
Commissioner of Oaths Ex Officio
Practising Attorney - Legal Aid South Africa
3rd Floor, Legal Aid House
29 De Beer Street,
EX OFFICIO: Braamfontein, Johannesburg

EXCO Minutes 2/2014 held on 3 December 2014**3. NEW ITEMS****3.1 Proposed introduction of Scheduled flights for Mahikeng and Pilanesberg Airports**

The matter was tabled by the MEC for Community Safety & Transport Management.

During discussions the following issues were raised, that:

- The submission talks about making use of only one service provider. It was explained that the reason is because there would only be one service provider rendering a service between Mahikeng-Johannesburg. If other service providers were available, it would certainly have been against the rules of the Competition Commission. The intention was to prevent officials from making use of their cars for Subsistence & Travelling purposes.
- The Office of the Premier, MEC for Community Safety & Transport Management and MEC for Finance, Economy & Enterprise Development should meet to address issues raised by the Minister of Transport.
- In the meantime the Department should proceed with the agreed supplier (which is SA Express) and look at issues to be contained in the contract.
- The HOD should have done a thorough analysis of all presentations received to outline what it means financially for the Province to subsidize the Mahikeng –OR Tambo route 100%, consider all options and propose the best option for consideration by EXCO.
- There should also have been a marketing strategy in place.
- A concern was raised as to whether the license for Mahikeng International Airport will be in place or whether the Pilanesberg license will be used.

Resolved that:

- a) EXCO agreed that the Department should proceed with the chosen service provider and sign the contract (SA Express).
- b) The submission should serve again on 15 December 2014 with a proper analysis of presentations and options for consideration by EXCO.



dcs&tm

Department:
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

Request for meetings

OFFICE OF THE HOD

Tirelo Building
University Drive
Mahikeng
North West Province
Tel: +27 (18) 200 8009

The General Manager
SA Express
2nd Floor, E Block Offices
Airways Park, 1 Jones Road
North West Province
Republic of South Africa

05 August 2016

Dear Mr. Brian Van Wyk

RE: AIRPORT OPERATIONAL COMMITTEE AND THE MANAGEMENT COMPANIES

There above matter bears particular reference. This communiqué serves to request an urgent meeting between the Department of Transport and Community Safety and the South African Express Airways.

The purpose of the meeting is to discuss an array of issues such as the continuous disruption of services at the Provincial Airports, the Management Company (Korenaka Facilities Management and Velotech Facilities Management), re-commissioning of the Steering Committee. Please confirm your availability to Mr. O.A. Baikgaki on 018 385 1059 and Ms B. Mogoerane on 018 200 8009.

The proposed date for the meeting is the 12 August 2016 or 15 August 2016.

Your cooperation and positive response on this matter is highly appreciated.

Sincerely,

Mr. O.S. Mosiane

Acting Head of the Department

8/8/16
Date

"Together moving Bokone Bophirima forward"



Request for Meeting



dcs&tm

Department:
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

OFFICE OF THE HOD

Tirelo Building
University Drive
Mahikeng
North West Province
Tel: +27 (18) 200 8009

Chief Executive Officer
SA Express
2nd Floor, E Block Offices
Airways Park, 1 Jones Road
North West Province
Republic of South Africa

30 August 2016

Dear Ms. Poppy Khoza

MEETING BETWEEN SA EXPRESS AND NORTH WEST PROVINCIAL GOVERNMENT

The above matter bears particular reference. This communiqué serves to request an urgent meeting between the North West Provincial Government and the South African Express.

The purpose of the meeting is to discuss an array of issues such as the continuous disruption (delays and cancellation) of services at the Provincial Airports, the role and functions of Management Company (Koreneka Facilities Management and Velotech Facilities Management), re-commissioning of the Steering Committee. Please confirm your availability to Mr. O.A. Baikgaki on 018 385 1059 and Ms. B. Mogoerane on 018 200 8009. Kindly note that our meeting with Mr Brian Van Wyk were already cancelled on two occasions, hence we request your urgent intervention on this matter. The proposed date for the meeting is the 09 September 2016 or 12 September 2016.

Your cooperation and positive response on this matter is highly appreciated.

Sincerely,

Mr. B. Chuma

Acting Head of the Department

31/08/2016

Date



"Together moving Bokone Bophirima forward"





2nd Floor
E Block Offices
Airways Park
1 Jones Road
T: +27 (0)11 978 9900
F: +27 (0)11 978 5578

P O Box 101
OR Tambo International Airport
1627
South Africa
www.flyexpress.co.za

17 March 2017

Mr. Bhuti Chuma
Acting HOD: DCS and TM
Department of Community Safety and Transport Management
Mahikeng Airport
Bray Road
Mahikeng
2725

RE: PAYMENT OF MANAGEMENT AND ROUTE SUBSIDY

Dear Mr. Chuma

As per the letter sent to you, we confirm that you have given notice of termination to both Valotech effective 31 March 2017 and Koroneka effective 15 April 2017 respectively, as earlier communicated. We have appointed Mahikeng Airport Management Company to manage Mahikeng Airport effective 1 April 2017. We are in the process of appointing a Pilanesburg Airport Management Company to manage Pilanesburg airport effective 16 April 2017. We would like to request that all subsidies moneys due be settled accordingly.

Yours sincerely,

Inati Ntshanga
Chief Executive Officer



dcs&tm

Department
Community Safety & Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



OFFICE OF THE HOD

Third Floor, Tirelo Building
Albert Luthuli Drive
Mafikeng, 2745
P/Bag X 19 Mmabatho 2735
Tel: +27 (18) 200 811

The Acting CEO
S A Express
Johannesburg

Attention : Mr XABA

Your Ref : Unknown

SUBJECT : CONCERNS REGARDING ISSUES OF NON-COMPLIANCE WITH THE SLA BY SA EXPRESS.

The above mentioned matter bears reference.

We hereby advise that a Service Level Agreement had been signed by and between the Department and your Company in terms of which your Company undertook to provide airline services for a period of **5 (five) years** calculated from the date of signature of the agreement. The agreement places certain duties, responsibilities and obligations on your Company to render the aforesaid services in line with the terms and conditions as described or set out therein.

We further advise that from the reports that have been received by the Department, your Company had been operating contrary to the terms and conditions of the signed SLA in that;

- 1) SA Express has failed to submit **monthly and quarterly reports** on a regular basis and as and when required by the Department, as provided for in the SLA;
- 2) That there had been **continued flight delays** especially at the Mafikeng Airport;
- 3) The **Steering Committee meetings** do not actually sit at regular intervals;

"Together We Move Bokone Bophirima Province Forward"



- 4) Most of the **decisions taken at the Steering Committee meetings** are not implemented due to the fact that your Company deploys Junior Officials (operational people) to sit in these meetings. The aforesaid Junior Officials are also not familiar with the contents of the signed SLA;
- 5) The **cancelled Wednesday scheduled flight** at Pilanesberg which was supposed to have been reinstated a long time ago, is still not yet operational to date hereof;
- 6) The SLA provides that the **scheduled flights should take place from Mondays to Fridays**, however the flights operate only on **Mondays, Wednesdays and Fridays**; a formal request had been made to SA Express to introduce the scheduled flights on **Tuesdays and Thursdays**, but that also did not happen;
- 7) The Premier of the North West made a formal pronouncement that SA Express will **introduce international flights between Pilanesburg and Victoria Falls** so as to create foot prints in the SADC and BRICS countries. Following that pronouncement, the then **General Manager of SA Express (Mr Brian Van Wyk)** made a good presentation with the necessary details and timelines to the Department, but nothing was implemented thereafter;
- 8) The **appointed Management Companies** are not fully supported to enable them to comply with the terms and conditions as set out in the SLA;
- 9) The Department forwarded an **addendum to the SLA** to SA Express for their consideration and signature by the Acting CEO as per our initial agreement, however nothing has been forthcoming to date hereof.

In the light thereof we hereby request that an **urgent meeting** should be held between the Department and the delegation from S A Express (on a date to be arranged) for purposes of discussing the matter further with a view to arriving at an amicable solution to the problems.

We look forward to hearing from you soon.



**Ms BOTLHALE MOFOKENG
HEAD OF DEPARTMENT**

DATE 5/9/17