

JCI Limited (“the Company” or “JCI”)

COMMUNICATION UPDATE TO SHAREHOLDERS ON THE REPORTABLE IRREGULARITY

27 October 2016

JCI communicated to shareholders on 4 October 2016 that KPMG had lodged a Reportable Irregularity (RI) with the Independent Regulatory Board for Auditors (IRBA) and that JCI were requested to respond within 30 days.

JCI complied with the request and the following letter was sent to KPMG on 18 October 2016 in response to the RI:

“REPORTABLE IRREGULARITY

The Board of Directors of JCI Limited is in receipt of your letter dated 23rd September 2016 which included under cover thereof your letter of the same date addressed to Mr. Imran Vanker of the Independent Regulatory Board for Auditors (“IRBA”) noting that under Section 45 of the Auditing Profession Act, No. 26 of 2005 (“the Act”) you believe a reportable irregularity (“RI”) has been committed (“the RI notification”). Your letter was received by us on 26 September 2016.

We confirm that on 28th September 2016 the Board discussed the RI statutory notification with you. During that conversation the Board informed you that it had not ceased its diligent efforts to ensure the Annual Financial Statements (AFS) in question were finalised as soon as practical and you accepted that. Both you and the Board were in agreement that despite the efforts of JCI after the SARS settlement was reached the format of the draft AFS as supplied to JCI by its accountants BDO were such that the date by which JCI had hoped to comply with, namely the end of August 2016, could not be met. There was strong debate as to whether a self-imposed target date could form the basis of an RI threshold especially as JCI was doing all it reasonably could do to move the matter to conclusion. You stated that despite the Board’s views you still concluded that you had no alternative but to issue the RI. As you aware the JCI Board does not agree with your view. Had JCI been known that you regarded the end of August 2016 as an RI threshold date it would have revised the date with you on compelling grounds as that date was only some six weeks after the tax settlement was achieved and in addition time would need to have been added for unforeseen issues.

The discussions made it clear, and you accepted same, that JCI continues to work as fast as it can with its external accounting professionals in order to meet your firm’s requests and requirements as to the form and content of the draft AFS in question. Against that background the Board, without commitment but in good faith, will provide to your firm the AFS in question and any reasonably required and/or requested audit evidence as soon as possible. All necessary resources have been made available and the Board regards this matter as one of high priority.

In the interim you can be assured that the Board will continue to act with the diligence and haste that was recognized in our discussions held on 28th September 2016.”