

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular.

Action required

This Circular is important and should be read with particular attention to the section entitled "Action required by JCI Shareholders", which commences on page 3.

If you are in any doubt as to what action you should take arising from this Circular, please consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.

If you have disposed of all your JCI Shares, then this Circular should be handed to the purchaser of such JCI Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

This Circular is issued for the purposes of providing information to JCI Shareholders regarding the Canombys Disposal, the Newco Disposal and the Newco Offer.

The Newco Offer Shares, upon their issue, will rank *pari passu* with all other Newco Shares of the same class.

The Entitlements that are represented in the Form of Instruction are non-renounceable and may not be sold or transferred and are afforded only to JCI Shareholders.

There are no convertibility or redemption provisions relating to the Newco Offer Shares.

The Newco Offer may be affected by the laws of the relevant jurisdictions of foreign JCI Shareholders. Such foreign JCI Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Circular that may affect them, including the Newco Offer. It is the responsibility of any foreign JCI Shareholders to satisfy themselves as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Newco Offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes for other requisite payments due in such jurisdiction. The Newco Offer is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations. Any foreign JCI Shareholder who is in doubt as to his position, including without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

The Directors, whose names are given on the inside front cover of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law.



JCI LIMITED

Incorporated in the Republic of South Africa
Registration number 1894/000854/06

CIRCULAR TO JCI SHAREHOLDERS

relating to:

- **an internal restructuring of the JCI group whereby, following the disposal by JCIIF of a 14% interest in Boschendal to Canombys, JCI's remaining indirect 35% equity interest in Boschendal will be sold by JCIIF to Newco; and**
- **a R150 000 000 non-renounceable offer of 3 356 266 465 Newco Offer Shares at an issue price of R0.0446925 per Newco Share in the ratio of 1 Newco Offer Share for every 1 JCI Share held at the close of business on Friday, 8 August 2014;**

and incorporating:

- **a Notice convening the General Meeting;**
- **a form of proxy (blue) in respect of the General Meeting (to be completed by Certificated JCI Shareholders and Dematerialised JCI Shareholders who have own-name registration only); and**
- **a Form of Instruction (to be completed by holders of Certificated Shares only).**

Legal Advisors to JCI



Independent Expert to JCI



SizweNtsaluba VSP
est. 1985

Corporate Advisors to JCI

Out of the Ordinary®



Date of issue: Tuesday, 8 July 2014

CORPORATE INFORMATION AND ADVISORS

Directors of the Company

P H Gray (*Chief Executive Officer*)

P R S Thomas (*Independent Chairman*)

D M P S Daly (*Independent Director*)

Registered office

Suite 501C
5th Floor
122 Pybus Road
Sandton, 2196
(PO Box 650412, Benmore, 2010)

Place of incorporation of JCI: South Africa

Date of incorporation of JCI: 2 April 1894

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)

Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Corporate advisor to JCI

Investec Bank Limited
(Registration number: 1969/004/763/06)
100 Grayston Drive
Sandton, 2196
(PO Box 785700, Sandton, 2146)

Registered office of Boschendal

De Waterkant Building
10 Helderberg Street
Stellenbosch, 7800
(PO Box 25, Groot Drakenstein, 7680)

Place of incorporation of Boschendal: South Africa

Date of incorporation of Boschendal: 19 September 2002

Legal advisor to JCI

Tugendhaft Wapnick Banchetti and Partners
20th Floor
Sandton City Office Towers
5th Street, Sandown
Sandton, 2196
(PO Box 786728, Sandton, 2146)

United Kingdom registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Independent expert to JCI

SizweNtsalubaGodobo Incorporated
(Registration number 2005\034639\21)
20 Morris Street East
Woodmead, 2192
(PO Box 2959, Saxonwold, 2132)

Company Secretary

Diane Eurelle
(ID: 5502110088095)
96 Mahogany Street
Northcliff, 2195

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IMPORTANT DATES AND TIMES

2014

Notice record date, being the date on which a JCI Shareholder must be registered in the securities register in order to be entitled to receive the Circular on	Friday, 27 June
Circular and notice of General Meeting posted to JCI Shareholders	Tuesday, 8 July
Notice of General Meeting published on JCI website	Tuesday, 8 July
Last day to trade in JCI Shares in order to be recorded in JCI's register of securities to vote at the General Meeting	Friday, 25 July
General Meeting Record Date in order to be entitled to attend, participate in and vote at the General Meeting	Friday, 1 August
Proxy forms for the General Meeting to be received, for administrative purposes, by 14:00 on (or thereafter by no later than 14:00 on Wednesday, 6 August 2014)	Tuesday, 5 August
General Meeting of JCI Shareholders held at 14:00 on	Wednesday, 6 August
Finalisation date announcement published on JCI website	Friday, 8 August
Newco Offer Record Date in order to be entitled to participate in the Newco Offer	Friday, 8 August
Payment to be made, and Form of Instruction to be lodged, with the Transfer Secretaries by Qualifying Certificated JCI Shareholders by 12:00 on	Monday, 11 August
Payment to be made to the Transfer Secretaries by Qualifying Certificated JCI Shareholders in respect of excess applications by 12:00 on	Monday, 11 August
Newco Offer Shares issued	Tuesday, 12 August
CSDP or Broker accounts of Dematerialised JCI Shareholders debited and updated with Newco Offer Shares	Tuesday, 12 August
Newco Share certificates for Newco Offer Shares posted to Certificated JCI Shareholders on or about	Thursday, 14 August
Dematerialised Newco Shareholders accounts updated and debited by CSDP or Broker in respect of any excess Newco Shares allocated	Thursday, 14 August
Results of Newco Offer published on the JCI website	Thursday, 14 August
Refunds (if any) to Certificated JCI Shareholders in respect of unsuccessful excess applications made	Friday, 15 August

The above dates and times are subject to change. Any such changes will be published on the JCI website.

1. All times indicated in this Circular are South African times.
2. Dematerialised JCI Shareholders are required to inform their CSDP or Broker of their instructions in terms of the Newco Offer in the manner and time stipulated in the agreement governing the relationship between the JCI Shareholder and its CSDP or Broker.
3. Qualifying Dematerialised JCI Shareholders will have their accounts at their CSDP or Broker automatically credited with their Entitlements and Qualifying Certificated JCI Shareholders will have their Entitlements credited to a nominee account at the Transfer Secretaries.
4. CSDPs effect payment in respect of Dematerialised JCI Shareholders on a delivery-versus-payment method.
5. This Circular is available in English only. Copies may be obtained from the registered offices of JCI and the Transfer Secretaries at the addresses set out in the "Corporate Information and Advisors" section of this Circular between Tuesday, 8 July 2014 and Monday, 11 August 2014. This Circular will also be available on JCI's website www.jci.co.za from Tuesday, 8 July 2014.

ACTION REQUIRED BY JCI SHAREHOLDERS

Please take careful note of the following provisions regarding the action required by JCI Shareholders

1. If you are in any doubt as to what action you should take arising from this Circular, please consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
2. If you have disposed of all of your JCI Shares, this Circular should be handed to the purchaser of such JCI Shares or to the Broker, CSDP, banker, attorney or other agent through whom the disposal was effected.
3. This Circular contains information relating to the Newco Offer. You should carefully read through this Circular and decide how you wish to treat the Entitlements allocated to you in terms of the Newco Offer.
4. The General Meeting convened in terms of the notice to JCI Shareholders incorporated in this Circular will be held at the Balalaika Hotel, 20 Maude Street Sandown, Sandton at 14:00 on Wednesday, 6 August 2014. A notice convening the General Meeting is attached to and forms part of this Circular.

1. ACTION REQUIRED BY CERTIFICATED JCI SHAREHOLDERS:

1.1 Voting and attendance at the General Meeting:

You are entitled to attend in person, or be represented by proxy, at the General Meeting.

If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (blue), in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom by no later than 14:00 on Tuesday, 5 August 2014 for administrative purposes or by no later than 14:00 on Wednesday, 6 August 2014.

1.2 Participation in the Newco Offer:

If you are a Qualifying JCI Shareholder holding Certificated Shares, a Form of Instruction is enclosed with this Circular to afford you the same rights and opportunities as those who have already Dematerialised their JCI Shares.

If you wish to subscribe for all or part of the Newco Offer Shares to which you are entitled, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rands, with the Transfer Secretaries as follows

Hand deliveries to:

Computershare Investor Services
Proprietary Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001

Postal deliveries to:

Computershare Investor Services
Proprietary Limited
PO Box 61763
Marshalltown, 2107

so as to be received by the Transfer Secretaries by no later than 12:00 on Monday, 11 August 2014.

If you do not wish to subscribe for all of the Entitlements allocated to you as reflected in the Form of Instruction, you may elect to subscribe for a part of your Entitlement or do nothing, in which case your Entitlements will lapse. The Entitlements are non-renounceable.

Excess applications for additional Newco Offer Shares will be allowed. If you wish to apply for additional Newco Offer Shares, you must complete Blocks (7) and (8) in the enclosed Form of Instruction and return it to the Transfer Secretaries, so as to be received by no later than 12:00 on Monday, 11 August 2014. Sufficient funds to cover such excess applications in accordance with your instruction must be received by the Transfer Secretaries by 12:00 on Monday, 11 August 2014. The right to apply for excess applications is non-renounceable.

Certificated JCI Shareholders can make payment by electronic fund transfer ("EFT"). Kindly contact the Call Centre – Corporate Actions of the Transfer Secretaries on 0861 100 634 (within South Africa) and +27 11 370 5000 (outside South Africa) to obtain banking details and a reference number for the deposits.

Forms of Instruction and proof of EFT payment may be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. Kindly note that this is for the subscription of Newco Offer Shares and excess Newco Offer Shares only.

JCI together with the Transfer Secretaries accept no responsibility and will not be held liable for any allocation of Newco Offer Shares and/or excess Newco Offer Shares pursuant to payment being made or alleged to have been made by way of EFT and where proof of such payment has not been received or where purported proof of such payment is insufficient or defective for JCI together with the Transfer Secretaries, for any reason, to be able to reconcile a payment or purported payment with a particular application for Newco Offer Shares and/or excess Newco Offer Shares.

Forms of Instruction which are not posted must be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. The Transfer Secretaries will not be held responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other facsimile or email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic or facsimile systems. Notwithstanding anything to the contrary, it is the responsibility of Certificated JCI Shareholders to ensure that their Forms of Instruction are received by the Transfer Secretaries. Kindly note that the original Form of Instruction must be returned. Faxed or emailed Forms of Instruction will be accepted with proof of payment attached.

Refund cheques (denominated in South African Rand) will be posted by registered post to the relevant applicants at their own risk, or where banking details have been provided by Certificated JCI Shareholders, EFT payments will be made, in respect of unsuccessful applications for excess applications, on or about Friday, 15 August 2014. Please note that any refunds to JCI Shareholders holding JCI Shares on the securities register maintained by Capita Asset Services in the United Kingdom will only be refunded by cheque and no EFT payments will be made to such JCI Shareholders. No interest will be paid on monies received in respect of unsuccessful applications.

If the required documentation and payment has not been received in accordance with the instructions contained in the enclosed Form of Instruction from the Qualifying JCI Shareholder by 12:00 on Monday, 11 August 2014, then the Entitlements to those unsubscribed Newco Offer Shares will be deemed to have been declined and the Entitlement will lapse.

2. **ACTION REQUIRED BY DEMATERIALIZED JCI SHAREHOLDERS**

2.1 **Voting and attendance at the General Meeting**

If you have dematerialised your JCI Shares and have elected:

2.1.1 **Own-name registration**

- 2.1.1.1 You are entitled to attend in person, or be represented by proxy, at the General Meeting.
- 2.1.1.2 If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached form of proxy (*blue*) in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom by no later than 14:00 on Tuesday, 5 August 2014 for administrative purposes or by no later than 14:00 on Wednesday, 6 August 2014.

2.1.2 **Registration other than own-name registration**

- 2.1.2.1 If you wish to attend or be represented at the General Meeting, you must advise your CSDP or Broker timeously that you wish to attend or be represented at the General Meeting. Your CSDP or Broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting.
- 2.1.2.2 If you do not wish to attend or be represented at the General Meeting but wish to vote, and your CSDP or Broker has not contacted you, you are advised to contact your CSDP or Broker and provide them with your voting instructions. If your CSDP or Broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.
- 2.1.2.3 You must not complete the attached form of proxy (*blue*).

2.2 Participation in the Newco Offer:

If you are a Qualifying JCI Shareholder holding Dematerialised Shares, you will not receive a printed Form of Instruction. Your CSDP or Broker will credit your account with the number of Entitlements to which you are entitled and you should receive notification from your CSDP or Broker in this regard. If you are not contacted by your CSDP or Broker, you should contact your CSDP or Broker and provide them with your instructions.

If you do not wish to subscribe for all of the Entitlements allocated to you, you may elect to subscribe for only a part of your Entitlement.

If you wish to subscribe for all or part of your Entitlement, you are required to instruct your CSDP or Broker as to the number of Newco Offer Shares for which you wish to subscribe, by the cut off time required by the CSDP or Broker as per your agreement held with them.

CSDPs effect payment on a delivery-versus-payment basis and therefore you must ensure that the necessary funds are deposited with the relevant CSDP or Broker, as the case may be.

Excess applications for additional Newco Offer Shares will be allowed. If you wish to apply for excess Newco Offer Shares, you should instruct your CSDP or Broker as to the number of excess Newco Offer Shares for which you wish to apply, by the cut-off time required by the CSDP or Broker, and ensure that sufficient funds are deposited with your CSDP or Broker. The right to apply for additional Newco Offer Shares is non-renounceable.

Instructions to your CSDP or Broker must be provided in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or Broker. If your CSDP or Broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Newco Offer Shares in terms of the Newco Offer.

JCI does not take responsibility, and will not be held liable, for any failure on the part of any CSDP or Broker to notify you of the Newco Offer and/or to obtain instructions from you to subscribe for the Newco Offer Shares and/or to take any action in respect of the Newco Offer.

3. JURISDICTION

The distribution of this Circular, the Newco Offer, the Form of Instruction, the notice of General Meeting and/or the rights to subscribe for the Newco Offer Shares in jurisdictions other than South Africa may be restricted by law, and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. Neither this Circular, nor any Form of Instruction, may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this Circular is sent for information purposes only. It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Entitlements under the Newco Offer, to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

4. NON-RESIDENTS

JCI Shareholders who are non-residents are referred to paragraph 6 of the Circular regarding the Exchange Control Regulation implications of the Newco Offer.

5. ELECTRONIC PARTICIPATION

JCI Shareholders wishing to participate electronically in the General Meeting are required by no later than 14:00 on Tuesday, 5 August 2014 to deliver written notice to the JCI company secretary at the offices of Statucor Proprietary Limited: 22 Wellington Road, Parktown, Johannesburg, 2193 (marked for the attention of the JCI company secretary: Diane Eurelle) that they wish to participate via electronic communication at the General Meeting ("**Electronic Notice**").

In order for the Electronic Notice to be valid it must contain: (a) if the JCI Shareholder is an individual, a certified copy of his/her identity document and/or passport; (b) if the JCI Shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution or signed the relevant letter of representation. The letter of representation or resolution must set out who from the relevant entity is authorised to represent the entity at the General Meeting via electronic communication; (c) a valid e-mail address and/or facsimile number ("**Contact Address/Number**"); and (d) confirmation of whether the JCI Shareholder wishes to vote via electronic

communication. By no later than 12 hours before the General Meeting, JCI shall use its reasonable endeavours to notify a JCI Shareholder at its Contact Address/Number who has delivered a valid Electronic Notice of the relevant details through which the JCI Shareholder can participate via electronic communication.

Should you wish to participate in the General Meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to dial-in to the dial-in facility on the date of the General Meeting. The dial-in facility will be linked to the venue at which the General Meeting will take place on the date of, from the time of commencement of, and for the duration of, the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner (and as contemplated in section 63(2) of the Act) and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the General Meeting. The costs borne by you or your proxy in relation to the dial-in facility will be for your own account.

6. FORWARD LOOKING STATEMENTS

This Circular contains statements about JCI, Boschendal and/or Newco that are or may be forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, and expansion prospects or future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. JCI cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All forward-looking statements are based on estimates and assumptions made by JCI, Boschendal and/or Newco. Although JCI believes that such estimates and assumptions are reasonable, they are inherently uncertain as they may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to JCI, Boschendal and/or Newco or not currently considered material by JCI, Boschendal and/or Newco.

JCI Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of JCI, Boschendal and/or Newco not to develop as expected may emerge from time to time and it is not possible to predict all of them. The extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. JCI has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words denoting one gender include the others and expressions denoting natural persons include juristic persons and associations of persons.

“Act”	the Companies Act, No. 71 of 2008, as amended;
“Black Bear Resources”	Black Bear Resources Limited (Registration number 636859), a public company registered and incorporated in accordance with the laws of South Africa which is a shareholder in JCI as reflected in paragraph 11 of this Circular;
“Board”	the board of Directors of JCI whose names appear in the “Corporate information and advisors” section of this Circular;
“Boschendal”	Boschendal Proprietary Limited (Registration number 2002/023534/07), a private company registered and incorporated in accordance with the laws of South Africa;
“Boschendal Rights Offer”	the R80 000 000 rights offer which was called for by Boschendal and implemented on 20 June 2014;
“Boschendal Shareholders”	all registered holders of Boschendal Shares;
“Boschendal Shareholders’ Agreement”	the shareholders’ agreement, entered into by Canombys and JCIIF on 15 August 2012 and which was amended by Canombys and JCIIF on 20 June 2014 to include the Boschendal Shareholders’ Agreement Amendments and to which Newco has agreed to be bound;
“Boschendal Shareholders’ Agreement Amendments”	the amendments to the Boschendal Shareholders’ Agreement and Boschendal’s Memorandum of Incorporation which have been agreed to by Canombys and are set out in the Canombys Disposal Agreement and an addendum to the Boschendal Shareholders’ Agreement as described in more detail in paragraph 1.3.6 of the Circular;
“Boschendal Shares”	Boschendal ordinary shares in the capital of Boschendal with a par value of R0.0001 each;
“Broker”	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act, No. 19 of 2012, as amended;
“Canombys”	Canombys Limited (Registration number: HE 309081), a company registered and incorporated in the Republic of Cyprus and, following the Canombys Disposal, the 65% majority shareholder in Boschendal;
“Canombys Disposal”	the disposal by JCIIF to Canombys of a 14% equity interest in Boschendal for R45 714 286 and on the terms set out in the Canombys Disposal Agreement;
“Canombys Disposal Agreement”	the sale and purchase agreement entered into between JCIIF and Canombys on 13 June 2014 and amended on 20 June 2014 setting out the terms and conditions of the disposal of JCIIF’s 14% equity interest in Boschendal to Canombys;
“Certificated JCI Shareholder(s)”	JCI shareholders who have not Dematerialised their share certificates in the Company in terms of Strate and who hold Certificated JCI Shares;
“Certificated JCI Shares”	JCI Shares which have not yet been Dematerialised, title to which is represented by a share certificate or other document of title acceptable to the Board;
“Circular”	this bound circular, dated 8 July 2014, including all annexures and enclosed documents;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“CSDP”	Central Securities Depository Participant;

“Dematerialise” or “Dematerialisation”	the process whereby Certificated JCI Shares are replaced by electronic records of ownership under Strate and recorded in the sub-register of JCI Shareholders maintained by a CSDP or Broker;
“Dematerialised JCI Shareholders”	JCI shareholders who hold Dematerialised JCI Shares;
“Dematerialised JCI Shares”	JCI Shares which have been Dematerialised;
“Director(s)”	the directors of JCI at the Last Practicable Date, whose names appear in the “Corporate information and advisors” section of this Circular;
“Entitlement”	the number of Newco Offer Shares which JCI Shareholders are entitled to subscribe for in terms of the Newco Offer, being 1 Newco Share for every 1 JCI Share held on the Newco Offer Record Date;
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, No. 9 of 1933, as amended;
“Form of Instruction”	the form of instruction reflecting the Entitlement of Certificated JCI Shareholders to subscribe for Newco Offer Shares and on which Certificated JCI Shareholders should indicate whether they wish to take up all or some of their Entitlements, or apply for excess Newco Offer Shares, which forms will be posted to Qualifying Certificated JCI Shareholders on Tuesday, 8 July 2014;
“General Meeting”	the general meeting of JCI to be held on Wednesday, 6 August 2014 for the purpose of considering and if thought fit passing, <i>inter alia</i> , a special resolution approving the Newco Offer and the Newco Disposal;
“General Meeting Record Date”	the record date of the General Meeting, being Friday, 1 August 2014;
“Hawkhurst”	Hawkhurst Investments Limited (Registration number 275187), a company registered and incorporated in accordance with the laws of the British Virgin Islands which is a shareholder in JCI as reflected in paragraph 11 of this Circular;
“IFRS”	International Financial Reporting Standards;
“Independent Expert”	SizweNtsalubaGobodo Incorporated (Registration number 2005/034639/21), a private company registered and incorporated in accordance with the laws of South Africa;
“Issue Price”	the price at which the Newco Offer Shares will be offered to JCI Shareholders in terms of the Newco Offer, being R0.0446925 per Newco Offer Share;
“JCI” or “the Company”	JCI Limited (Registration number 2008/011366/06), a public company registered and incorporated in accordance with the laws of South Africa;
“JCIIF”	JCI Investment Finance Proprietary Limited (Registration number 2005/021440/07), a private company registered and incorporated in accordance with the laws of South Africa, and a wholly-owned subsidiary of JCI;
“JCI Shares”	JCI ordinary shares in the capital of JCI with a par value of R0.01 each;
“JCI Shareholder/s”	all Certificated JCI Shareholders and Dematerialised JCI Shareholders of JCI;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in accordance with the laws of South Africa and a licensed stock exchange in accordance with the Financial Markets Act, 19 of 2012, as amended;
“Last Practicable Date”	Friday, 27 June 2014, being the last practicable date prior to the finalisation of this Circular;
“Legal Advisor”	Tugendhaft Wapnick Banchetti and Partners (“TWB”);
“Letseng Diamonds”	Letseng Diamonds Limited (Registration number 31750), a company registered and incorporated in accordance with the laws of Guernsey which is a shareholder in JCI as reflected in paragraph 11 of this Circular;

“Loan Account”	the amount of R142 285 714 which, following the Newco Disposal, will be owing by Newco to JCIIF on loan account in respect of the consideration payable by Newco for the acquisition of JCIIF’s 35% shareholding in Boschendal in terms of the Newco Disposal;
“MOI”	the Memorandum of Incorporation of JCI;
“Newco”	Matzopath Proprietary Limited (Registration number 2014/013608/07), a private company registered and incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of JCIIF. Following the Newco Disposal, it is the intention to rename this company Boschendal Investment Company Proprietary Limited;
“Newco Disposal”	the disposal for R142 285 714 by JCIIF to Newco of a 35% equity interest in Boschendal as part of an internal restructuring by JCI on the terms set out in the Newco Disposal Agreement;
“Newco Disposal Agreement”	the sale and purchase agreement entered into between JCIIF and Newco on 25 June 2014 setting out the terms and conditions of the disposal of JCIIF’s 35% equity interest in Boschendal to Newco;
“Newco Offer”	the non-renounceable offer by JCI to raise R150 000 000 through the issue of a total of 3 356 266 465 Newco Offer Shares at an Issue Price of R0.0446925 per Newco Share to be extended to all Qualifying JCI Shareholders, in the ratio of 1 Newco Offer Share for every 1 JCI Share held on the Newco Offer Record Date;
“Newco Offer Record Date”	the record date of the Newco Offer, being Friday, 8 August 2014;
“Newco Offer Shares”	3 356 266 465 new Newco Shares, which are to be offered to JCI Shareholders pursuant to the Newco Offer;
“Newco Share”	Newco ordinary shares in the capital of Newco of no par value;
“Qualifying JCI Shareholder”	a registered holder of JCI Shares recorded in the register at 17:00 on the Newco Offer Record Date;
“Ratio of Entitlement”	the number of Newco Offer Shares to which JCI Shareholders are entitled in terms of the Newco Offer being 1 Newco Offer Share for every 1 JCI Share held on the Newco Offer Record Date, details of which are set out in Annexure 7 of this Circular;
“Prime”	means the rate of interest (nominal annual compounded monthly in arrears) from time to time published by Investec Bank Limited as its prime lending rate;
“SENS”	Securities Exchange News Service;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited (Registration number 1998/022242/06), a registered central securities depository in terms of the Custody and Administration of Securities Act, No. 85 of 1992, as amended;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company registered and incorporated in accordance with the laws of South Africa with its address at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107); and
“VAT”	Value-Added Taxation in terms of the Value-Added Tax Act, 89 of 1991 as amended.



JCI LIMITED

Incorporated in the Republic of South Africa
Registration number 1894/000854/06

Directors

P H Gray (*Chief Executive Officer*)

P R S Thomas (*Independent Chairman*)

D M P S Daly (*Independent Director*)

CIRCULAR TO JCI SHAREHOLDERS

I. INTRODUCTION AND RATIONALE FOR THE NEWCO OFFER

I.1 Introduction

I.1.1 Boschendal called for the Boschendal Rights Offer to raise R80 000 000 to fund various capital expenditure projects and to repay a portion of its debt. JCIIF, as a 49% shareholder in Boschendal, was required to contribute R39 200 000 in terms of the Boschendal Rights Offer or face dilution of its equity interest in Boschendal which would have resulted in a reduction of value for JCI Shareholders.

Neither JCIIF nor JCI had sufficient cash available, and therefore, in order to raise the necessary funding for the Boschendal Rights Offer, JCI agreed to the Canombys Disposal on the terms set out in the Canombys Disposal Agreement and utilised R28 000 000 of the Canombys Disposal proceeds to follow its remaining 35% proportional share of the Boschendal Rights Offer. The Canombys Disposal was implemented subject to Canombys agreeing to the Boschendal Shareholders' Agreement Amendments.

I.1.2 Following the Canombys Disposal, and as per previous communications to JCI Shareholders, the Board wishes to progress the wind-down of JCI and is proposing the following transactions:

I.1.2.1 The Newco Disposal – whereby JCIIF will dispose of its remaining 35% equity interest in Boschendal to Newco for R142 285 714 as part of an internal JCI restructuring on the terms set out in the Newco Disposal Agreement; and

I.1.2.2 The Newco Offer – the non-renounceable offer by JCI to raise R150 000 000 through the issue of a total of 3 356 266 465 Newco Offer Shares at an Issue Price of R0.04446925 per Newco Offer Share to be extended to all Qualifying JCI Shareholders in the ratio of 1 Newco Offer Share for every 1 JCI Share held on the Newco Offer Record Date.

I.1.3 **The Newco Offer is an independent transaction and the Newco Disposal is not conditional on the Newco Offer.**

I.1.4 The purpose of this Circular is to advise JCI Shareholders of the terms and conditions of:

I.1.4.1 the Newco Disposal in order for JCI Shareholders to make an informed decision as to whether or not to vote in favour of the resolution required to implement this transaction; and

I.1.4.2 the Newco Offer in order for JCI Shareholders to decide whether or not to:

I.1.4.2.1 vote in favour of the resolution required to authorise the Newco Offer; and

I.1.4.2.2 participate in the Newco Offer.

I.1.5 Qualifying JCI Shareholders are invited to apply for additional Newco Offer Shares in terms of the Newco Offer and, should these be available, they will be allocated to applicants in an equitable manner by the Directors.

1.2 Rationale of the Canombys Disposal, the Newco Disposal and the Newco Offer

1.2.1 The Canombys Disposal

1.2.1.1 The Canombys Disposal was implemented to ensure that JCIIF's equity interest in Boschendal was not diluted on account of neither JCI nor JCIIF having sufficient cash available to follow JCIIF's proportional share of the Boschendal Rights Offer.

1.2.1.2 The Canombys Disposal was implemented subject to Canombys having agreed to the Boschendal Shareholders' Agreement Amendments to ensure that, *inter alia*, JCIIF's rights, and assuming that the Newco Disposal is implemented, Newco's rights, as Boschendal Shareholders are preserved despite the reduced shareholding. Furthermore, Canombys agreed to waive its pre-emptive rights over the Boschendal Shares which will be sold to Newco in terms of the Newco Disposal.

1.2.2 The Newco Disposal and the Newco Offer

1.2.2.1 The Newco Disposal and the Newco Offer will ensure that:

1.2.2.1.1 JCI Shareholders are afforded the opportunity (but are not compelled) to retain a portion of, or increase, their exposure to the upside potential of Boschendal in a new vehicle independent of JCI by following their Entitlements in respect of the Newco Offer;

1.2.2.1.2 JCI, following receipt of the proceeds of the Canombys Disposal and the Newco Disposal, has cash to:

1.2.2.1.2.1 repay all of its interest bearing debt which will eliminate the associated annual interest costs;

1.2.2.1.2.2 deal with outstanding legal matters;

1.2.2.1.2.3 wind-down the business; and

1.2.2.1.2.4 return excess cash to JCI Shareholders; and

1.2.2.1.3 Newco will have sufficient cash to operate on a stand-alone basis without the need for further capital from shareholders, save for the need to fund likely further rights offers called by Boschendal. Boschendal management have indicated that it will raise further capital of R100 000 000 (Newco's share of which will be R35 000 000) to fund Boschendal's strategic initiatives as detailed in paragraph 3.3 of Annexure 1 during 2014.

1.3 The Canombys Disposal

1.3.1 In order for Boschendal to proceed timeously with its strategic initiatives as detailed in paragraph 3.3 of Annexure 1 and further strengthen its balance sheet, Boschendal required the injection of the R80 000 000 proceeds from the Boschendal Rights Offer before 30 June 2014.

1.3.2 To ensure that JCI avoided the dilution of its 49% interest in Boschendal, Boschendal agreed to dispose of a 14% equity interest in Boschendal to Canombys at the same value per Boschendal Share as the Newco Disposal (adjusted for the increase in the value per Boschendal Share on account of the cash proceeds raised by Boschendal through the Boschendal Rights Offer). The Canombys Disposal was agreed with Canombys on the condition that Canombys agreed to amend the Boschendal Shareholders' Agreement to incorporate the Boschendal Shareholders' Agreement Amendments as set out in paragraph 1.3.6. In addition, Canombys has agreed to waive its pre-emptive right over the Boschendal Shares which will be sold to Newco in terms of the Newco Disposal and to Newco's name being changed to Boschendal Investment Company Proprietary Limited.

1.3.3 Accordingly, JCIIF and Canombys concluded the Canombys Disposal Agreement whereby JCIIF disposed of a 14% equity interest in Boschendal to Canombys for R45 714 286. The sale was not subject to any warranties other than JCIIF warranting that it was the sole registered and beneficial owner of the Boschendal Shares and that it was free to transfer the shares without any encumbrances.

1.3.4 The Canombys Disposal Agreement was subject to the following conditions precedent:

1.3.4.1 the approval of the Canombys Disposal and the Newco Disposal by unanimous resolution of the board of directors of JCIIF;

- 1.3.4.2 the consent of Investec Bank Limited being obtained for the Canombys Disposal and the release by Investec Bank Limited of its security over the Boschendal Shares which were the subject matter of the Canombys Disposal; and
- 1.3.4.3 all and any regulatory approvals being obtained.
- 1.3.5 All of the conditions precedent in respect of the Canombys Disposal were fulfilled and the Canombys Disposal was completed on 20 June 2014.
- 1.3.6 The Boschendal Shareholders' Agreement Amendments included the following:
 - 1.3.6.1 the deletion of the references to JCI and JCIIF in clause 8.2 of the Boschendal Shareholders' Agreement which provides for a deemed offer at fair value by a Boschendal Shareholder if the Boschendal Shareholder is liquidated, placed under business rescue or compromises with any of its creditors;
 - 1.3.6.2 the deletion of clauses 8.5 to 8.8 (both inclusive) of the Boschendal Shareholders' Agreement which clauses related to the deemed offer by a Boschendal Shareholder of its Boschendal Shares to the remaining Boschendal Shareholders in the event of a change in control of such Boschendal Shareholder;
 - 1.3.6.3 the granting by Investec Bank Limited to Canombys of a pre-emptive right to acquire any Newco Shares which Investec Bank Limited may dispose of after the completion of the Newco Offer; and
 - 1.3.6.4 the amendment of clause 16.3.2 of Boschendal's Memorandum of Incorporation to extend to Newco the right to appoint two directors to Boschendal's board of directors for so long as it holds not less than 25% of the Boschendal Shares.

1.4 **The Newco Disposal**

- 1.4.1 JCIIF and Newco have concluded the Newco Disposal Agreement whereby JCIIF will dispose of a 35% equity interest in Boschendal to Newco for R142 285 714.
- 1.4.2 The Newco Disposal is part of an internal JCI restructuring which will result in JCIIF's 35% equity interest in Boschendal being held by a newly incorporated entity. Newco currently has 120 shares in issue which are owned by JCIIF and has no other assets or liabilities other than the cash received on subscription by JCIIF of the 120 Newco Shares. This company has not traded nor held any investments in the past.
- 1.4.3 The Newco Disposal Agreement is subject to the following conditions precedent:
 - 1.4.3.1 the approval of the Newco Disposal by unanimous resolution of the board of directors of JCIIF;
 - 1.4.3.2 the approval by JCI Shareholders at the General Meeting;
 - 1.4.3.3 the waiver by Canombys of its pre-emptive rights to acquire the Boschendal Shares in terms of the Boschendal Shareholders' Agreement;
 - 1.4.3.4 the consent of Investec Limited being obtained to permit the disposal by JCIIF to Newco of the Boschendal Shares which are held by Investec Bank Limited as security for the loans advanced by it to JCIIF and of the consequential amendment of any relevant security documents as may be required; and
 - 1.4.3.5 all and any regulatory approvals being obtained.

2. **NATURE OF BUSINESS AND PROSPECTS FOR THE COMPANY**

JCI Shares were suspended from trading on the JSE since August 2005 and delisted from the JSE on 4 February 2013. JCI has no operating businesses and the Board has committed itself to the orderly wind-down of JCI and the return of maximum value to JCI Shareholders.

3. **THE NEWCO OFFER**

JCI proposes to undertake the Newco Offer to all Qualifying JCI Shareholders *pro rata* to their existing holdings in JCI as at the Newco Offer Record Date.

3.1 **Use of proceeds of the Newco Offer**

- 3.1.1 JCI is offering JCI Shareholders the right to subscribe for 3 356 266 465 new Newco Shares at an Issue Price of R0.0446925 per Newco Share to raise R150 000 000 in Newco. Assuming that the Newco Offer is fully subscribed, the proceeds will be used as follows:
- 3.1.1.1 R142 285 714 will be applied to the settlement of the Loan Account as agreed between JCIIF and Newco in the Newco Disposal Agreement; and
 - 3.1.1.2 R7 714 286 will be retained by Newco to ensure that it is adequately capitalised to fund its on-going operating costs.
- 3.1.2 Based on the irrevocable undertakings received, the Newco Offer will be fully subscribed as described in paragraph 7.
- 3.1.3 JCIIF has used R28 000 000 of the R45 714 286 proceeds realised from the Canombys Disposal to follow its 35% (following the Canombys Disposal) proportional share of the Boschendal Rights Offer and the balance of R17 714 286 together with the R142 285 714 proceeds received from the settlement of the Loan Account by Newco to settle interest bearing debt (as detailed in paragraph 9) which is accruing interest at the Prime overdraft rate and to pay operational expenses to progress the wind-down of JCI.
- 3.1.4 Excess funds available will be paid to JCI to progress the wind-down of the Company and the final balance remaining after settlement of all costs, debt and litigation will then be distributed to JCI Shareholders.

3.2 **Terms of the Newco Offer**

JCI hereby offers by way of the Newco Offer to JCI Shareholders a total of 3 356 266 465 new Newco Shares at an issue price of R0.0446925 per Newco Share, payable in full upon acceptance in the currency of South Africa, in the ratio of 1 Newco Offer Share for every 1 JCI Share held on the Newco Offer Record Date. The Newco Offer will raise up to R150 000 000 for Newco before expenses.

The Entitlement of each Qualifying JCI Shareholder holding Certificated Shares is reflected in the appropriate block in the Form of Instruction, which will be posted to Qualifying Certificated JCI Shareholders on Tuesday, 8 July 2014. Certificated JCI Shareholders will have their Entitlements credited to a nominee account in electronic form, which will be administered by the Transfer Secretaries on their behalf. The Form of Instruction will reflect the number of Newco Shares which the Certificated JCI Shareholder is entitled to subscribe. The procedure to be followed by Certificated JCI Shareholders for the acceptance of their Entitlements is reflected on the Form of Instruction and detailed in paragraph 4 below.

Qualifying JCI Shareholders holding Dematerialised JCI Shares will not receive a printed Form of Instruction. Their CSDP or Broker accounts will automatically be credited with their Entitlements. The CSDP or Broker will advise Dematerialised JCI Shareholders of the procedure to be followed and the timing for the acceptance or lapsing of such Entitlements.

JCI Shareholders will receive Entitlements in accordance with the table of Entitlements contained in Annexure 7 to this Circular.

Excess applications will be allowed as detailed in paragraph 4.2 below.

The Newco Offer Shares will, upon allotment and issue, rank *pari passu* with all other Newco Shares in all respects.

3.3 **Minimum subscription**

The Newco Offer is not subject to any minimum subscription. However, sufficient irrevocable undertakings to subscribe for Newco Offer Shares have been received to ensure that the Newco Offer will be fully subscribed. Refer to paragraph 7 for a summary of the irrevocable undertakings received from JCI Shareholders.

4. **PROCEDURES FOR ACCEPTANCE AND PAYMENT OF ENTITLEMENTS**

4.1 **Procedure for acceptance of Newco Offer Entitlements**

If you are a Qualifying JCI Shareholder holding Certificated Shares and wish to subscribe for all or part of your Entitlement in terms of the Form of Instruction, you are requested to complete the Form of Instruction in accordance with the instructions contained therein and lodge it, together with payment of the Issue Price, with the Transfer Secretaries, so as to be received by the Transfer Secretaries by no later than 12:00 on Monday, 11 August 2014. Once received by the Transfer Secretaries, the acceptance is irrevocable and may

not be withdrawn. If payment is not received on or before 12:00 on Monday, 11 August 2014, the Qualifying JCI Shareholder concerned will be deemed to have declined the offer to acquire Newco Offer Shares pursuant to the Newco Offer. The Newco Offer is not subject to a minimum subscription.

If you are a Qualifying JCI Shareholder holding Dematerialised JCI Shares, you will not receive a Form of Instruction. You should receive notification from your CSDP or Broker regarding your Entitlements. If you wish to follow your Entitlements, you are required to notify your duly appointed CSDP or Broker of your acceptance of your Entitlements in the manner and time allotted in the custody agreement governing the relationship between yourself and your CSDP or Broker.

4.2 Excess applications

JCI Shareholders will have the right to apply for any excess Newco Offer Shares not taken up by other JCI Shareholders. Should there be excess Newco Offer Shares available for allocation after all Newco Offer Shares have been taken up in terms of the Newco Offer, these will be allocated to applicants in an equitable manner as determined by the Directors after consulting with their advisors.

Certificated JCI Shareholders who wish to apply for Newco Offer Shares in addition to those allocated to them in terms of the Newco Offer, may do so by indicating the number of additional Newco Offer Shares that they wish to subscribe for in Blocks (7) and (8) on the Form of Instruction and by making payment to the Transfer Secretaries, in accordance with paragraph 4.3 of this Circular, for such additional Newco Offer Shares with their subscription.

Dematerialised JCI Shareholders who wish to apply for Newco Offer Shares in addition to those allocated to them in terms of the Newco Offer, should advise their CSDP or Broker in terms of the agreement entered into between them and their CSDP or Broker, as to the number of additional Newco Offer Shares for which they wish to apply and ensure that they have sufficient funds in their account.

An announcement will be published on JCI's website (www.jci.co.za) stating the results of the Newco Offer and the allocation of any excess applications.

Cheques refunding monies in respect of unsuccessful applications for additional Newco Offer Shares by Certificated JCI Shareholders will be posted to the relevant applicants, at their risk, on or about Friday, 15 August 2014. No interest will be paid on monies received in respect of unsuccessful applications.

4.3 Payment by Newco Offer recipients:

A cheque (drawn on a registered bank, crossed "not transferable" and with the words "or bearer" or "or order" deleted), payable to "JCI – Newco Offer", for the total amount due in respect of the number of Newco Shares to be acquired in the currency of South Africa, together with a properly completed Form of Instruction, must be lodged by Certificated JCI Shareholders as follows:

Hand delivered to:

Computershare Investor Services
Proprietary Limited
Ground Floor
70 Marshall Street
Johannesburg
2001

Postal deliveries

(at the risk of the holder) to:
Computershare Investor Services
Proprietary Limited
PO Box 61763
Marshalltown
2107

- For payment in terms of a JCI Shareholder's Entitlements, to be received by the Transfer Secretaries by no later than 12:00 on Monday, 11 August 2014; and
- For payment in terms of the application for excess Newco Offer Shares, to be received by the Transfer Secretaries by no later than 12:00 on Monday, 11 August 2014.

Certificated JCI Shareholders can make payment by electronic fund transfer ("EFT"). Kindly contact the Call Centre – Corporate Actions of the Transfer Secretaries on 0861 100 634 (within South Africa) and +27 11 370 5000 (outside South Africa) to obtain banking details and a reference number for the deposits.

Forms of Instruction and proof of EFT payment may be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. Kindly note that this is for the subscription of shares and excess Newco Offer Shares only.

JCI together with the Transfer Secretaries accept no responsibility and will not be held liable for any allocation of Newco Offer Shares and/or excess Newco Offer Shares pursuant to payment being made or alleged to have been made by way of EFT and where proof of such payment has not been received or where purported proof of such payment is insufficient or defective for JCI together with the Transfer Secretaries, for any reason,

to be able to reconcile a payment or purported payment with a particular application for Newco Offer Shares and/or excess Newco Offer Shares.

Forms of Instruction which are not posted must be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. The Transfer Secretaries will not be held responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other facsimile or email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic or facsimile systems. Notwithstanding anything to the contrary, it is the responsibility of Certificated JCI Shareholders to ensure that their Forms of Instruction are received by the Transfer Secretaries. Kindly note that the original Form of Instruction must be returned. Faxed or emailed Forms of Instruction will be accepted with proof of payment attached.

CSDP's will effect payment on a delivery-versus-payment basis in respect of a Dematerialised JCI Shareholder. A Dematerialised JCI Shareholder must instruct their CSDP or Broker as to the action they must take to enable the CSDP or Broker to act timeously on their behalf in terms of the agreement entered into between the Dematerialised JCI Shareholder and their CSDP or Broker.

All cheques or bankers' drafts received by the Transfer Secretaries will be deposited immediately for payment. In the event that any cheque or banker's draft is dishonoured, JCI, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant Newco Offer Shares to which it relates against payment in cash of the subscription price for such Newco Offer Shares. Money received in respect of an application which is rejected or otherwise treated as void by the Company, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be refunded (without interest) by way of a cheque drawn in Rand to the applicant concerned, and posted by ordinary post at the applicant's risk on or about Friday, 15 August 2014. If the applicant concerned gives no address in the Form of Instruction, then the relevant refund will be held by JCI until collected by the applicant. No interest in respect of such refund will be paid by the Company.

5. JURISDICTION

The Newco Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer, and this Circular and the Form of Instruction should not be forwarded or transmitted to any person in any territory other than where it is lawful to make such an offer.

The distribution of this Circular, the Newco Offer, the Form of Instruction, and/or the rights to subscribe for the Newco Offer Shares in jurisdictions other than South Africa may be restricted by law, and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. Neither this Circular, nor any Form of Instruction, may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this Circular is sent for information purposes only. It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Entitlements under the Newco Offer, to satisfy themselves as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The Newco Offer Shares have not been, and will not be, registered under the Securities Act of the United States of America. Accordingly, the Newco Offer Shares may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States of America, or for the account or benefit of, persons of the United States of America. This Circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States of America. This Circular does not constitute an offer of any securities for sale in the United States of America or to persons in the United States of America.

JCI Shareholders resident outside the Common Monetary Area should consult their professional advisors to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Newco Offer.

JCI Shareholders holding JCI Shares on behalf of persons who are resident outside the Common Monetary Area are responsible for ensuring that taking up the Newco Offer does not breach regulations in the relevant overseas jurisdictions.

6. EXCHANGE CONTROL REGULATIONS

The following summary is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. If JCI Shareholders are in any doubt as to the appropriate course of action to take, they are advised to consult their professional advisors.

The Newco Offer Shares will not be freely transferable from South Africa and will have to be dealt with in terms of the South African Exchange Control Regulations.

6.1 **Non-residents outside the Common Monetary Area**

JCI Shareholders who are resident outside the Common Monetary Area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to follow their Entitlements in terms of the Newco Offer.

6.2 **Non-residents of the Common Monetary Area**

Pursuant to the South African Exchange Control Regulations and upon specific approval of the South African Reserve Bank, non-residents, excluding former residents of the Common Monetary Area, will be allowed to:

- take up Entitlements allocated to them in terms of the Newco Offer; and
- apply for excess applications,

provided payment is received either through normal banking channels from abroad or from a non-resident account.

All applications by non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate, and any Newco Share certificates issued pursuant to such applications, will be endorsed "non-resident".

6.3 **Former residents of the Common Monetary Area ("emigrants")**

Where an Entitlement in terms of the Newco Offer becomes due to a former resident of the Common Monetary Area, which Entitlement is based on JCI Shares blocked in terms of the Exchange Control Regulations, then only emigrant blocked funds may be used to:

- take up the Entitlements allocated to them in terms of the Newco Offer; and
- apply for excess applications.

All applications by emigrants using blocked funds for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. Newco Share certificates issued to such emigrants will be endorsed "non-resident" and placed under the control of the authorised dealer in foreign exchange through whom the payment was made. Electronic statements issued in terms of Strate and any Newco Offer Share certificates issued pursuant to blocked Rand transactions will be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made.

Any Qualifying JCI Shareholder resident outside the Common Monetary Area who receives this Circular and Form of Instruction should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription to be made in terms of such Form of Instruction.

New Newco Share certificates issued pursuant to the Newco Offer to an emigrant will be endorsed "non-resident" and forwarded to the address of the relevant authorised dealer controlling such emigrant's blocked assets for control in terms of the Exchange Control Regulations. Where the emigrant's Newco Shares are in dematerialised form with a CSDP or Broker, the electronic statement issued in terms of Strate will be dispatched by the CSDP or Broker to the address of the emigrant in the records of the CSDP or Broker.

7. **IRREVOCABLE LETTERS OF UNDERTAKING**

- 7.1 JCI Shareholders holding directly and indirectly 1 774 270 055 JCI Shares, comprising approximately 52.8% of the JCI Shares in issue excluding treasury shares at the Last Practicable Date, have provided irrevocable commitments to vote in favour of and/or recommend to their clients to vote in favour of the ordinary resolutions tabled in the notice of General Meeting; and
- 7.2 Investec Bank Limited which holds 897 798 318 JCI Shares, comprising approximately 26.7% of the JCI Shares in issue excluding treasury shares at the Last Practicable Date, has provided irrevocable commitments to take up its Entitlements in respect of the Newco Offer and to apply for additional Newco Shares to the extent that any Newco Offer Shares are not subscribed for in terms of the Newco Offer. Investec Bank Limited's irrevocable undertaking is subject to the receipt of a section 52 approval from the South African Reserve Bank to the extent that it will hold more than 50% of Newco following the Newco Offer.

A summary of the irrevocable letters of undertaking provided by JCI Shareholders is provided in the table below:

Shareholder	Current shareholding		Commitment	
	Existing JCI Shares held	Interest (%)	Commitment to vote in favour of ordinary resolutions (%)	Value of Newco Offer Entitlement (R)
Investec Bank Limited	897 798 318	26.7	26.7	40 124 851
Allan Gray Proprietary Limited for and on behalf of its clients as duly authorised agent and investment manager	876 471 737	26.1	26.1	–
Total commitments received (excl. excess applications)	1 774 270 055	52.8	52.8	40 124 851

As a result of the commitment received from Investec Bank Limited, the Newco Offer will be fully subscribed.

8. SHARE CAPITAL OF JCI

	R'000
The authorised and issued share capital of JCI before the Newco Offer is as follows:	
<i>Authorised share capital</i>	
3 800 000 000 ordinary shares of 1 cent each	38 000
<i>Issued share capital</i>	
3 780 509 213 ordinary shares of 1 cent each	37 805
424 242 748 ordinary shares of 1 cent each held in treasury	(424)
Share premium on ordinary shares	2 070 195
Total issued share capital	2 107 576

The authorised and issued share capital of JCI will not be affected by the Newco Offer.

9. MATERIAL LOANS AND BORROWINGS

JCI has borrowed monies from Investec Bank Limited on the following terms:

Lender	Investec Bank Limited
Amount outstanding	R88 864 954*
Interest terms	Prime
Repayment terms	No fixed repayment terms
Nature of security	JCIIF's shares and loan claims in Boschendal
Value of security	Approximately R142 285 714 based on the value of Boschendal in terms of the Newco Disposal
Conversion/redemption rights	None

*Amount outstanding reflected after the repayment of R15 000 000 of proceeds received by JCI in terms of the Canombys Disposal.

10. MATERIAL CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND LEASE PAYMENTS

As at the Last Practicable Date, JCI had no material capital commitments, lease payments or contingent liabilities other than:

- in respect of litigation summarised in paragraph 14.3; and
- in respect of a potential liability owing to the South African Revenue Service which, as disclosed to JCI Shareholders on 17 December 2013, the South African Revenue Service has been informed of JCI's intention to negotiate with a view to settlement.

11. MAJOR JCI SHAREHOLDERS

Insofar as it is known to the Directors, there is no controlling shareholder of JCI, and this has not changed in the last five years. As at the Last Practicable Date the following JCI Shareholders held more than 5% of the JCI Shares

JCI Shareholder	Number of JCI Shares	% of ordinary share capital (net of treasury shares)
Investec Bank Limited	897 798 318	26.7
Allan Gray for and on behalf of its clients as duly authorised agent and investment manager	876 471 737	26.1
Letseng Diamonds and Hawkhurst Investments	493 273 451	14.7
Black Bear Resources	326 173 367	9.7
Total	2 593 716 873	77.2

12. DIRECTORS AND DIRECTORS' INTERESTS

12.1 Details of Directors

The full names, ages, business address and capacities of the Directors of JCI are outlined below:

Name, age, nationality and role	Business address	Qualifications and experience
Peter Henry Gray 66 South African Chief Executive Officer Appointed: 23 August 2005	Suite 501C 5 th Floor Pybus Road Sandton 2196	C.A.I.B (SA) Peter joined Nedbank Limited before being appointed senior credit investigation officer at Hill Samuel Merchant Bank. He then joined French Bank of SA Limited (Indosuez), now Credit Agricole, and held numerous positions including those of general manager and deputy chief executive. He later joined Societe Generale and became managing director. He retired in 2002 to follow his own interests and then decided to play a guiding role in a structured empowerment financial services group, Tlotlisa Holdings Limited. Peter serves on numerous other private boards.
Peter RS Thomas 69 South African Independent Chairman Appointed: 12 September 2005	28 Valley Road Westcliff 2193	CA(SA) Peter is a Chartered Accountant and former managing director of The Unisec Group Limited. His current directorships include: Investec plc, Investec Bank Limited and various unlisted companies.
Denis MPS Daly 53 British Independent Director Appointed: 23 August 2010	6 Maresfield Gardens London United Kingdom NW3	BA, LLB (Natal) LLM (Cantab) Denis is a Barrister in private practice in London where he is resident. Denis was called to the Bar in Johannesburg as an Advocate of the Supreme Court in 1988 where he practiced with a focus on general commercial litigation until 1992. Thereafter Denis relocated to the United Kingdom and commenced private practice as a Barrister.

12.2 Directors' declarations

None of the Directors, company secretary or senior managers of JCI have:

- ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- ever been declared bankrupt, insolvent or sequestered in any jurisdiction;
- at any time been a party to a scheme of arrangement or made any other form of compromise with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any receiverships, compulsory liquidations or creditors' voluntary liquidations;
- ever received public criticisms from statutory or regulatory authorities, including professional bodies, and have ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- ever been barred from entry into a profession or occupation;
- ever been removed from an office of trust, on the grounds of misconduct and involving dishonesty;
- ever been involved in compulsory liquidations, administrations or partnership voluntary agreements of any partnerships where they were partners at the time of, or within the 12 months preceding, any such event;
- ever received a court order declaring the director a delinquent or placing the director under probation in terms of section 162 of the Act or prohibiting him to act as a director; or
- ever been involved, as a director or in an executive function in any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the Act, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company within the last 12 months.

12.3 Directors' interests

At the Last Practicable Date, no Directors of JCI held any beneficial or non-beneficial interest, whether directly or indirectly, in JCI Shares.

12.4 Directors' emoluments and service contracts

Details of the emoluments of the executive and non-executive directors of JCI for the 12 months ended 31 March 2014 are summarised below:

	Salary	UIF and SDL	Leave pay	Directors' fees	Total
Peter Henry Gray*	1 900 000	21 000	–	–	1 921 000
Leslie Arthur Maxwell**	320 000	5 000	176 000	–	501 000
Peter Thomas	–	11 000	–	1 069 000	1 080 000
Denis Daly	–	–	–	290 000	290 000
	2 220 000	37 000	176 000	1 359 000	3 792 000

Details of the emoluments of the executive and non-executive directors of JCI for the 12 months ended 31 March 2013 are summarised below:

	Salary	UIF and SDL	Bonus	Directors' fees	Total
Peter Henry Gray*	3 650 396	41 157	315 600	–	4 007 153
Leslie Arthur Maxwell**	2 678 801	30 595	230 978	–	2 940 374
Peter Thomas	–	–	–	974 700	974 700
Denis Daly	–	–	–	362 250	362 250
	6 329 197	71 752	546 578	1 336 950	8 284 477

*Peter Gray has been employed on a month to month contract since 30 April 2011.

**Leslie Maxwell resigned with effect from 14 March 2013 but continued providing services for approximately 4 months post his resignation on a contract basis.

The remuneration of the Directors of the Company will not be affected by the Newco Offer or by any associated transaction.

13. **GOVERNING LAW**

All transactions arising from the provisions of this Circular and the Forms of Instruction shall be governed by and be subject to the laws of South Africa.

14. **GENERAL**

14.1 **Material contracts**

No material contracts have been entered into by the Company, being a contract entered into otherwise than in the ordinary course of business, within the two years preceding the date of this Circular or a contract entered into at any time containing an obligation or settlement that is material to the Company as at the date of this Circular, save for the following:

- the issue of shares by Boschendal to Canombys as per the SENS announcement released on 7 August 2012;
- the Newco Disposal; and
- the Canombys Disposal.

14.2 **Material changes**

Save for the contents set out in this Circular, the Directors confirm that there has been no material change in the financial or trading position of the Company since its draft results for the year ended 31 March 2013 other than those reflected in the net asset value statement as at 19 June 2014 which is included in Annexure 8.

14.3 **Litigation statement**

There are currently no legal or arbitration proceedings, including any such proceedings that are pending or threatened which may have, or have had, a material effect on JCI or any of its subsidiaries' financial position during the 12 months preceding the date of this Circular other than as disclosed below.

14.3.1 Actions and applications instituted by or in the process of preparation by JCI and/or JCI subsidiaries against various parties:

Most of the actions described below are brought by JCI and JCI makes no representations regarding the prospects of success or the prospects of recovery in respect of such actions. Likewise JCI does not make any representations regarding counter-claims which have been made or may be made and the prospects of successfully resisting such counter-claims. The summary below is an indicative description of the matters and does not purport to be a complete and accurate recordal of the pleadings.

Parties	Matter description	Amount
JCI Gold versus Baji Adventures Proprietary Limited, Case No: 2009/10594	This is an action brought by JCI Gold against Baji Adventures arising out of a shareholders agreement concluded and in terms of which JCI Gold lent and advanced certain monies to Baji Adventures, which monies were not repaid. Judgment was awarded to JCI Gold, with costs but the amount has not been recovered as the defendant has no assets.	R4 200 000.00

Parties	Matter description	Amount
CMMS, JCI Limited, JCI Gold and JCI Property Development versus Charles Orbach & Company, Case No: 2009/14645	This is an action for damages against the previous auditors of JCI arising out of various transactions including 89 000 000 JCI shares issued to Slipknot, 42 500 000 JCI shares to Paradise Creek, a loan to Dormell Properties, a joint venture arrangement with Masupatsela Proprietary Limited, a transaction in respect of Kirstenberry Lodge, the processing of various Brett Kebble journal entries, the disposal of Western Area Limited shares, the Masupatsela Randgold loan account as well as the Alibiprops transaction and the IBUK Transaction and various scrip-lending transactions. The effect of these transactions resulted in the financial statements of JCI being materially misstated and it is alleged that the previous auditors failed to identify improprieties and material misstatements relating to this, in the performance of its legal audit duties to the Company resulting in losses claimed. The matter is defended. There is no date at present for the matter to continue but preparations are ongoing.	R321 756 586.71
JCI Gold Limited versus Paul Main, Letseng Diamonds Limited, Concerto Nominees Limited and the Trustees for Inter-Ocean Management Limited, Case No: 2007/11826	This is an action for damages suffered as a result of the disposal of Western Areas Limited shares by the defendants. Settlement negotiations are ongoing between representatives of JCI and Paul Main. The matter is defended.	R49 000 000.00 and various alternative claims
Xelexwa Proprietary Limited previously trading as Jaganda	The matter was settled and the arbitrator (Retired Judge Joffe) incorporated the settlement agreement reached into his award. Vullisango and Rightrau are not satisfied with a certain aspect of the award as they feel that the cost order granted against them should have been part of the award. They have issued proceedings in the High Court of South Africa, Gauteng Local Division to amend the award. The prospect of them succeeding seems unlikely as they were not even parties to the arbitration.	–

14.3.2 Actions and applications instituted or threatened against JCI and/or the JCI subsidiaries:

Most of the actions described below are defended by JCI. However, JCI makes no representations regarding the prospects of success or otherwise in respect of such actions or in respect of any counter-claims that may be made by JCI. The summary below is an indicative description of the matters and does not purport to be a complete and accurate recordal of the pleadings.

Parties	Matter description	Amount
Masupatsela Angola Mining Ventures Proprietary Limited versus JCI Limited and CMMS Limited, Case No: 2008/28964	Masupatsela served summons against JCI and CMMS, jointly and severally for damages arising out of the alleged misappropriation and sale of the plaintiffs' shares. Damages are claimed for the alleged value of the shares and for dividend amounts the plaintiffs would have received but for the misappropriation and various alternatives. The matter is defended, but nothing has occurred in almost three years.	R42 880 080.00 + dividends.
Hemispherx Biopharma Inc. versus Bioclones, JCI and Others, Case No: 2004/10129/CIV/KING	This is an application to enforce in the Republic of South Africa a judgment granted by the United States District Court for the Southern District of California in 2008 which arose out of a claim for fraud and injunctive relief, damages and punitive damages of \$ 188 492 319. The application is being opposed. All the parties agreed to refer the matter to arbitration before 3 retired Supreme Court of Appeal judges, whose decision would be final. The matter was set down for hearing from 5 to 9 May 2014 when initial argument on a preliminary legal issue was heard and concluded on 17 June 2014. Judgement on the issue was delivered on 30 June 2014 in favour of JCI dismissing the entire application with costs.	\$188 492 319:00

14.4 Royalties

No royalties or items of a similar nature are payable in respect of the Company.

15. EXPENSES

The expenses relating to the Newco Offer are estimated at approximately R4 110 000 (excluding VAT) and comprise:

Details	Payable to	R
Corporate advisory fees	Investec Corporate Finance	3 000 000
Legal fees	TWB Attorneys Inc.	560 000
Circular printing and distribution	Ince	300 000
Independent Expert fees	SizweNtsalubaGobodo	150 000
Transfer Secretaries	Computershare Investor Services Proprietary Limited	100 000
Estimated total		4 110 000

JCI has not incurred any other preliminary expenses in respect of the Newco Offer in the three-year period preceding the date of this Circular.

16. CONSENTS

The Legal Advisor, Independent Expert, corporate advisor to JCI, Capita Asset Services and Transfer Secretaries have provided their written consents to act in the capacity stated and to their names being used in this Circular and none of them have withdrawn their consents prior to the posting of this Circular.

17. OPINIONS AND RECOMMENDATIONS

The Board has committed itself to the orderly wind-down of JCI in a manner which aims to maximise JCI Shareholder value. Given JCI's lack of available resources to fund its proportional share of the Boschendal Rights Offer, the Board believes that the Canombys Disposal was in the best interest of JCI Shareholders to raise the funds required for the Boschendal Rights Offer and avoid the dilution of JCI's interest and value in Boschendal. Furthermore, the Board believes that the Newco Disposal and Newco Offer are also in the best interests of JCI Shareholders to pursue the orderly wind-down of JCI and afford JCI Shareholders the opportunity of obtaining a more direct exposure to the upside potential of Boschendal through Newco. Accordingly, the Board recommends that JCI Shareholders vote in favour of the resolutions required to implement the Newco Disposal and the Newco Offer as set out in the attached notice of General Meeting.

The Board has considered the advice of the Independent Expert, SizweNtsalubaGobodo, whose opinion is set out in Annexure 6 of the Circular. SizweNtsalubaGobodo concluded that JCI's 49% equity interest has a fair value range of R147 million to R170 million before the Boschendal Rights Offer, or R186 million to R209 million after the Boschendal Rights Offer and, accordingly, the Board believes that the sale prices in respect of the Canombys Disposal and the Newco Disposal are fair to JCI Shareholders.

Furthermore, the Board believes that the Canombys Disposal is justified because, in addition to raising sufficient proceeds to allow JCIIF to follow its remaining share of the Boschendal Rights Offer, Canombys agreed, in return for the opportunity to acquire 14% of Boschendal at the same implied value per Boschendal Share as the Newco Disposal (before adjustment to the value per Boschendal Share for the proceeds raised in terms of the Boschendal Rights Offer) to:

1. amend certain terms of the Boschendal Shareholders' Agreement and Boschendal's Memorandum of Incorporation to the benefit of Newco including *inter alia*:
 - (a) the deletion of a clause stating that there is a deemed offer if there is a change of control of the shareholders of Boschendal;
 - (b) Newco retaining JCIIF's current right to appoint two directors to the Boschendal board of directors; and
 - (c) Newco benefiting from certain other minority protections in the Boschendal Shareholders' Agreement; and
2. waive its pre-emptive right over the Boschendal Shares which will be sold to Newco in terms of the Newco Disposal.

While the Board believe that the terms of the Newco Offer are fair to both JCI Shareholders who elect to participate and those JCI Shareholders who do not elect to participate in the Newco Offer, the Board believes that there is significant upside potential in the value of Boschendal to the extent that the property development as described in paragraph 3.3 of Annexure 1 is successfully completed and depending on the outcome of the legal dispute with Douglas Green Bellingham Proprietary Limited regarding the purported sale in 2004 of Boschendal's winery and brand as described Annexure 1. In view of this belief, the Board recommends that JCI Shareholders follow their rights in respect of the Newco Offer and apply for excess Newco Offer Shares. If JCI Shareholders are in any doubt as to what action they should take arising from this Circular, JCI Shareholders should consult their Brokers, CSDPs, bankers, accountants, attorneys or other professional advisors immediately.

18. RESPONSIBILITY STATEMENT

The Directors, whose details are set out in the "Corporate information and advisors" section of this Circular:

- have considered all statements of fact and opinion in this Circular;
- collectively and individually, accept full responsibility for the accuracy of the information given as has been included in this Circular for purposes of providing appropriate information to JCI Shareholders regarding the Canombys Disposal, the Newco Disposal and the Newco Offer;
- certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading;
- have made all reasonable enquires in this regard; and
- certify to the best of their knowledge and belief, that the Circular contains all information required by law.

19. GENERAL MEETING

In order to seek the approval of JCI Shareholders for the Newco Disposal and the Newco Offer, it is necessary to convene the General Meeting. In this regard, a notice convening the General Meeting is attached to and forms part

of this Circular. The General Meeting will be held at the Balalaika Hotel, 20 Maude Street, Sandown, Sandton at 14:00 on Wednesday, 6 August 2014.

JCI Shareholders are referred to the notice of General Meeting attached to this Circular for detail on the resolutions to be proposed at the General Meeting and to the "Action required by JCI Shareholders" section of this Circular for information on the procedure to be followed by JCI Shareholders in order to exercise their votes at the General Meeting.

20. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of JCI during normal business hours from Tuesday, 8 July 2014, up to and including Monday, 11 August 2014

- 20.1 the Memorandum of Incorporation of Newco;
- 20.2 the Boschendal Shareholders' Agreement;
- 20.3 the Memorandum of Incorporation of Boschendal;
- 20.4 the material contracts as detailed in paragraph 14.1;
- 20.5 the valuation report prepared by the Independent Expert in respect of JCIIF's 49% interest in Boschendal;
- 20.6 the audited annual financial statements of JCI for the 2 years ended 31 March 2012 and 31 March 2011 and the draft annual financial statements of JCI for the year ended 31 March 2013;
- 20.7 the audited annual financial statement of Boschendal for the three years ended 30 June 2013, 30 June 2012 and 30 June 2011;
- 20.8 a copy of each of the irrevocable undertakings referred to in paragraph 7;
- 20.9 the written consents of the Legal Advisor, Independent Expert, corporate advisors to JCI, Capita Asset Services and Transfer Secretaries to the inclusion of their names in this Circular in the context and form in which they appear; and
- 20.10 a signed copy of this Circular and the Form of Instruction.

OVERVIEW OF NEWCO

1. NEWCO COMPANY INFORMATION

1.1 Name, address, incorporation

1.1.1 Name and registration number

Matzopath Proprietary Limited, registration number 2014/013608/07

1.1.2 Addresses

Statucor Proprietary Limited, 22 Wellington Road, BDO House, Parktown
Private Bag X60500, Houghton, 2041

1.1.3 Date of incorporation

Incorporated in the Republic of South Africa on 22 January 2014

1.1.4 Sole Shareholder

JCIIF

2. DIRECTORS, OTHER OFFICE HOLDERS OR MATERIAL THIRD PARTIES

2.1 Directors of Newco

Peter Gray and Peter Thomas are currently the only directors of Newco. Their directorships will terminate upon the completion of the Newco Offer at the time of the first appointment to the board of directors of Newco by any of the Newco Shareholders entitled to appoint a member to the board based on their shareholding of 15% or more in Newco as detailed below:

- Each Newco Shareholder shall be entitled in respect of each completed 15% shareholding in Newco to appoint 1 director to the board of directors of Newco. Furthermore, Newco Shareholders each holding less than a completed 15% shareholding in Newco may act in concert with other Newco Shareholders also holding less than a completed 15% shareholding in Newco (collectively "the Concert Newco Shareholders") such that for each completed 15% shareholding in Newco held together by such Concert Newco Shareholders, those Concert Newco Shareholders will be entitled to appoint 1 director to the board of directors of Newco; and
- If the shareholding of a Newco Shareholder and/or, in the case of Concert Newco Shareholders the collective shareholding of the Concert Newco Shareholders, falls below the 15% shareholding threshold, such Newco Shareholder and/or the Concert Newco Shareholders shall procure the resignation or removal of its nominee as a director of Newco.

For further detail on the appointment of directors to the board of directors of Newco, please refer to the salient features of the Newco Memorandum of Incorporation set out in Annexure 4.

2.2 Directors of Boschendal

Information on the directors of Boschendal is set out below:

2.2.1 Directors of Boschendal:

Peter Henry Gray (66)

Business address: Suite 501C, 5th Floor, 122 Pybus Road, 2196

Appointed: 2 June 2006

Qualifications: C.A.I.B (SA)

Occupation: Chief Executive Officer of JCI

Position: Member of the Boschendal executive committee

Nationality: South African

Term of office: Appointed by JCI in terms of the Boschendal Shareholders' Agreement.
Office terminates if JCIIF ceases to be a shareholder of Boschendal

Peter R S Thomas (69)

Business address: 28 Valley Road, Westcliff, 2193
Appointed: 8 December 2010
Qualifications: CA(SA)
Occupation: Director of companies
Position: Non-executive director
Nationality: South African
Term of office: Appointed by JCI in terms of the Boschendal Shareholders' Agreement.
Office terminates if JCIF ceases to be a shareholder of Boschendal

J Tredoux (49)

Business address: 7 Cavendish Square, London, United Kingdom, W1G
Appointed: 27 August 2012
Qualifications: Lawyer
Occupation: Director of companies
Position: Non-executive director
Nationality: South African
Term of office: Appointed by Canombys in terms of the Boschendal Shareholders' Agreement. Office terminates if Canombys ceases to be a shareholder of Boschendal

2.2.2 **Executive director of Boschendal:**

Rob G Lundie (47)

Business address: Rhone, Boschendal, Groot Drakenstein, 7680
Appointed: 26 February 2013
Qualifications: B.Com
Occupation: Chief Executive Officer of Boschendal
Position: Chief Executive Officer
Nationality: South African
Term of office: Appointed by Canombys in terms of the Boschendal Shareholders' Agreement. Office terminates if Canombys ceases to be a shareholder of Boschendal

Rob Lundie is one of the founding directors of Avignon Capital Limited, a UK and European property investment and asset management business dedicated to generating value and providing client focused, innovative and comprehensive solutions to property investing. Rob has over 23 years of experience in the property market as principal and director. Prior to founding Avignon Capital Limited, Rob ran his own commercial and residential development and investment business in South Africa and has extensive expertise across all property sectors.

2.3 **Name and business address of company secretary of Newco:**

Statucor Proprietary Limited

Business address: 22 Wellington Road, Parktown, 2193
Registration number: 1989/005394/07
Appointed: 8 April 2014
Term of office: Ongoing

2.4 **Name and business address of the auditors, attorneys, banker and stockbroker of Newco**

2.4.1 **Auditors:**

Grant Thornton (Cpt) Inc
6th Floor, 119 Hertzog Boulevard
Cape Town, 8001

A copy of the consent of Grant Thornton (Cpt) Inc to be named as Newco's auditors in this Circular is available for inspection at Newco's registered office.

2.4.2 **Attorneys:**

TWB Attorneys Incorporated
20th Floor, Sandton City Office Towers
5th Street, Sandown, 2196

A copy of the consent of TWB Attorneys Incorporated to be named as Newco's attorneys in this Circular is available for inspection at Newco's registered office.

2.4.3 **Bankers:**

Investec Bank Limited
100 Grayston Drive
Sandton, 2196

A copy of the consent of Investec Bank Limited to be named as Newco's bankers in this Circular is available for inspection at Newco's registered office.

Newco has not appointed stockbrokers or underwriters.

2.5 **Newco directors' remuneration and service contracts**

Directors' service contracts

Newco currently has no remuneration policy with respect to its directors and this will need to be approved by Newco Shareholders following the completion of the Newco Offer.

2.6 **Borrowing powers of Newco exercisable by directors**

The borrowing powers of Newco directors have not been restricted by Newco's memorandum of incorporation.

3. **HISTORY, STATE OF AFFAIRS AND PROSPECTS OF NEWCO**

3.1 **History of Newco**

Newco is a newly incorporated company, the sole shareholder of which is JCIIF, and whose sole asset will, following the implementation of the Newco Disposal, be a 35% equity interest in Boschendal.

3.2 **History of Boschendal**

Boschendal Wine Estate dates back to 1685 with the original title deed in the name of 'Bossendaal'. Its first official owner was the French Huguenot Jean de Long and subsequent owners included the De Villiers family who laid the farming foundations and built the historic Manor House, and later Cecil John Rhodes. Upon Rhodes' death in 1902, the De Beers mining company managed Boschendal until it was sold to Sir Abe Bailey. In 1969 Anglo American Corporation took over the farms which led to the initiation of a major redevelopment programme which saw enhanced plant materials improve the vineyards, the homestead restored and renovated and opened as a national monument, as well as substantial investment in the wine cellars which led to the establishment of the Boschendal Estate as a popular food and wine location and one of the iconic wine estates of the Western Cape and South Africa.

In 2003, a consortium of investors acquired the Boschendal farms from the Anglo American Corporation. JCI provided funding for an empowerment consortium, issued guarantees to procure funding from a bank and through this and the procurement of shares from other consortium members built up a shareholding of 63.7%

in Boschendal. IFA Hotels and Resorts Limited acquired the balance of 37.3% which they sold to Canomby's in 2012. Canomby's thereafter invested R80 million into Boschendal in respect of a share subscription arrangement whereby their shareholding was increased to 51% and JCI's shareholding reduced to 49%. The effect of this transaction was comprehensively reported to JCI Shareholders on 7 August 2012.

A further rights offer for R20 million was concluded in August 2013 and the Boschendal Rights Offer of R80 million was concluded in June 2014.

The aforementioned capital injections and the balance of R64 million of the proceeds from the sale of Old Bethlehem which was paid in September 2012 resulted in Boschendal becoming a self-sufficient company. The company was also able to reduce its external debt from R171 million to R56 million and have sufficient funds to commence with the redevelopment of its various activities which are outlined in clause 3.3

3.3 **Boschendal's current operations and strategic initiatives:**

Boschendal is a diversified group with three core operating businesses:

Farming comprising:

- vineyards;
- fruit farming; and
- cattle farming.

Hospitality comprising:

- restaurants;
- conference and function facilities;
- overnight and weekend accommodation;
- the gift shop; and
- the museum.

Property comprising:

- long-term accommodation;
- Founders Estates; and
- property development.

Since late 2012 after the recapitalisation of Boschendal and the receipt of additional funding as described in paragraph 3.2, the company has been able to expand its operations using the many opportunities already present and inherently associated with the Boschendal Estate and its brand and is being repositioned to achieve commercial self-sufficiency and sustainability.

Farming

The management of Boschendal is currently exploring opportunities to utilise secondary functionality where possible, an example being the farming of olive trees that are currently serving as a wind break for the vineyards.

Vineyards

Vineyards form an integral part of the landscape of the Boschendal Estate. There are currently 135 hectares of planted vineyards, 123 hectares of which are in full production. In 2004, the Boschendal winery and Boschendal wine brand were purportedly sold to Douglas Green Bellingham Proprietary Limited from which date Boschendal has become a grape grower to supply the winery at market related prices. The current financial prospects for vineyards are considered low when compared to other potential activities on the estate and accordingly, there are currently no plans for any further expansion. Management intend to maintain the planted vineyards at 135 hectares and to focus on improving yield and quality.

Fruit

Over the past 10 years, the fruit orchards were leased to a 3rd party for a nominal rental. In 2013, a decision was taken to take over the fruit operations and a substantially higher rental was negotiated to February 2014, from which date Boschendal has assumed responsibility for the operation of the fruit orchards. The current fruit orchards comprise 50 hectares of productive fruit. The financial prospects from fruit far exceed the potential from vineyards and fruit is projected to become the largest component of the agricultural activities on Boschendal. Planning has been conducted to identify the best soils and cultivar to expand the orchards and it is envisaged to expand the fruit farming activities to 200 hectares over the next three years. The orchards comprise mainly plums, citrus and pears.

Cattle

Boschendal began farming Angus cattle seven years ago. At the time cattle farming was seen as an activity to maintain the approximately 1 800 hectares of land on Boschendal. Cattle farming has grown into a sustainable business with the current herd exceeding 400 head of cattle. In 2013, as part of the management business plan and capital expansion programme, the eastern precinct of the farm was camped to utilise the already present grasses available and management believe that there is scope to improve the prices achieved on the sale of meat through initiatives such as branding the meat and introducing the sale of the branded meat into the restaurant and deli.

Boschendal management are excited by the farming prospects of Boschendal as these activities were neglected for many years.

Hospitality

Until recently, the key hospitality businesses were either leased to third party operators at minimal return to Boschendal or did not exist. Various projects to increase and broaden the hospitality activities are currently being investigated in addition to the activities described below.

Restaurants

There are currently three food and beverage offerings: a buffet restaurant, cafe and a picnic experience, all of which have been leased to an external operator since 2005. The lease has been terminated with effect from May 2014 and there is a plan to revamp and improve the café and buffet restaurant offerings. The picnics have continued to be a successful component and one which will be upgraded and expanded.

Conference and functions

The restaurant currently provides the only available food and beverage solution for any weddings and other large events. Presently there are no conference facilities available on the estate.

The historic Rhone homestead was utilised as an administrative office until late 2013 when a decision was taken to use this iconic asset for conferences, functions and smaller weddings. The Rhone homestead is in the final stages of renovation.

A new 250 seat function and conference venue has been approved and construction is expected to be completed by late 2014. There is an enormous demand for wedding venues in the winelands and the beauty of Boschendal is anticipated to help capture some of this opportunity.

Accommodation

Rhodes Cottage has recently been renovated as Boschendal's premium overnight accommodation offering where guests connect with an authentic experience synonymous with Boschendal.

Work has also commenced on seven cottages adjacent to the Boschendal Werf, the main hospitality area, and will provide more affordable overnight accommodation.

At present, the farm has a large number of empty cottages since Anglo Farms relocated the cottages' occupants. There are plans to restore clusters of these houses to supply overnight accommodation enabling guests to relax in the beauty of the Boschendal estate and indulge in the natural attractions including mountain biking, walking and fishing. 40 cottages have been identified as potential renovation opportunities with the potential to expand the number of cottages which are revamped depending on demand.

In addition, an old hostel area has been identified as a potential site for a boutique hotel and spa, and this opportunity is currently being investigated.

Gift shop

The gift shop has been revamped and new products have been introduced to complement the shop's current offering to daily visitors. The shop is located within the main Boschendal Werf and provides an opportunity for visitors to "take a piece of Boschendal home with them". The shop has shown considerable growth over the past 12 months and is expected to grow in line with the growth of the other attractions offered at Boschendal.

Museum (The Manor House)

The Manor House Museum which is located close to the shop in the main Boschendal Werf area is expected to attract more visitors as the popularity of Boschendal increases. Other possibilities are also being looked at to maximise the return from this iconic homestead.

Property

The property business includes rental properties and a potential property development.

Long-Term accommodation

There are approximately 30 rental houses on the farm and this will increase to 39 when all the renovations are completed.

Properties that were previously not leased or leased at very low rentals will now be leased out at market related rentals. These range from small and simple two bedroom homes to more upmarket homes and the leases range from R4 000 to R25 000 per month. Boschendal management has identified an opportunity to expand the rental offering given the large demand for rental houses in the area, by utilising some of the unoccupied cottages referred to above.

Founders Estates

The company has current rights for phase 1 of its property development plan which comprises 18 Founder Estates of approximately 20 hectares each. Although, two of these Founders Estates were sold prior to 2012, the current Boschendal board of directors decided to place a hold on the sale of Founders Estates pending an improvement to general market conditions.

Development

Boschendal is progressing phase 2 of its property development plan which consists of smaller villages and housing opportunities and has involved a number of consultants in this process. The target is to submit the relevant applications before the end of 2014 with the introduction of the property development in phases. It is envisaged that between 500 and 700 erven could be available for sale once approvals are received. The ultimate number depends on factors such as permissible density and erf sizes. The revenues and potential profits expected to be generated from these sales are large.

The application process follows the framework and timelines for an application of this nature and is estimated to take 18 months from the time of submission. While there may be objections to the application, it is expected that the application will be approved by the end of 2017 at which point ground can be broken on the development.

3.4 Corporate Governance

The Newco board of directors will consist of representatives of Newco Shareholders and/or Concert Newco Shareholders holding at least 15% of the Newco Shares. Appropriate corporate governance practices will be determined by the Newco board of directors once constituted.

3.5 Material changes

There are no material changes to Newco other than those described in this Circular.

3.6 Prospects

Newco is an investment holding company whose sole investment will be a 35% interest in Boschendal.

In terms of Boschendal's future prospects:

The initial phase of Boschendal's strategy is to ensure that the business is sustainable, profitable and cash flow positive and focuses on the following initiatives:

- Strengthening the balance sheet:
 - shareholder loans of R578 million were converted to equity in April 2013; and
 - R80 million capital injection by Canombys, the proceeds of a R20 million rights offer, the R80 million proceeds of the Boschendal Rights Offer and the R64 million sale proceeds from the sale of Old Bethlehem were used to reduce interest bearing debt and commence the redevelopment and investment programme and to invest in further capital projects.

The above initiatives have been implemented to reduce Boschendal's current interest costs and improve cash flows as well as permit the Boschendal board of directors to progress with the other initiatives outlined in this Circular.

- Boschendal is expected to become profitable and cash flow positive during the 2017 financial year:
 - in the financial years ended 30 June 2013 and 30 June 2012, Boschendal incurred operating losses of approximately R19 million before interest and tax (excluding the effect of the reversal of impairment of property, plant and equipment in 2012);
 - Boschendal had an estimated assessed loss of R224 million as at March 2014;
 - it is envisaged that Boschendal will return to profitability at an operating profit level (i.e. before interest and tax) in the financial year ending 30 June 2016 through focused investments in its farming and hospitality businesses to ensure sustainability by means of the implementation of the following strategic initiatives:
 - Implementation of annual cost savings of approximately R5 million per annum;
 - Boschendal has assumed operation of approximately 50 hectares of productive fruit orchards previously operated by an external party as referred to in paragraph 3.3. It is intended that these fruit orchards will be expanded to 100 hectares by the financial year ending 30 June 2015 with the potential to expand to 200 hectares thereafter;
 - Boschendal will control the restaurant businesses operating on the farm which were previously leased; and
 - Boschendal has commenced in arbitral proceedings against Douglas Green Bellingham Proprietary Limited ("DGB") in respect of a suite of written agreements signed during 2004 and 2005 (and varied from time to time thereafter) in terms of which Boschendal purportedly disposed of its winery business to DGB as a going concern. Boschendal contends that under these agreements, it was in effect the intention of the parties that a portion of the Rhone land, described as the Winery Land, be leased from 30 August 2005 to DGB for a period of 99 years. Boschendal contends for the invalidity of the suite of agreements on the basis that they are indivisible and that the lease agreement (which is integral to the suite of agreements) is void because it contravenes sections 3(d) and/or 3(e) of the Subdivision of Agricultural Land Act No. 70 of 1970, for the reason that no ministerial consent was obtained before such lease agreement being entered into (or at any time thereafter). In terms of the arbitration proceedings, Boschendal is seeking the restitution of the winery business and trademark which it sold to DGB, as well as other consequential relief. The arbitration is opposed and Advocate W Trengove has been appointed as arbitrator. The arbitration hearing is scheduled at this stage to begin on 2 February 2015. A successful finding in Boschendal's favour will have an extremely favourable impact for the company.

After the implementation of the Boschendal Rights Offer, it is anticipated that Boschendal will be suitably capitalised to meet its capital expenditure requirements in terms of these initiatives. However, depending on the progress made by Boschendal in the implementation of the turnaround initiatives and the eventual capital requirements of such initiatives, Boschendal has indicated that it will implement a further rights offer to raise capital of approximately R100 000 000 during 2014.

In the medium term, Boschendal intends pursuing phase 2 of the property development referred to in paragraph 3.3. Phase 2 of the property development as well as the other initiatives on the Boschendal Wine Estate may require further capital contributions from shareholders in the future.

3.7 **State of affairs of Boschendal and its subsidiaries**

Boschendal is currently making operating losses of approximately R19 million per annum before interest and tax despite the cost cutting initiatives which have been introduced. The main reasons for this being:

1. the appointment of additional executive staff i.e. CEO, manager of fruit division, finance manager and further pending appointments;
2. short-term contracts with specialist consultants related to items such as branding and hospitality;
3. extensive renovations and repairs to what had become a neglected estate due to lack of funding;
4. set up costs related to Boschendal taking over assets such as restaurants and orchards which were previously leased to third parties.

The positive effects of these initiatives will be evident in the new financial year and thereafter. As an example, in the year ending June 2015 revenue is budgeted to increase fourfold from its current levels. The improved cash flows from these initiatives may be needed to fund the further development and capital expenditure opportunities.

The directors of Boschendal have tabled a turn-around strategy to ensure the sustainability and improve the prospects of Boschendal as detailed under paragraph 3.3 of this Annexure.

Refer to Annexure 3 for extracts from Boschendal's audited financial statements for the three years to 30 June 2013.

3.8 Green energy initiatives

Boschendal management has considered both solar and a number of hydro opportunities to allow Boschendal to reduce its energy needs and to achieve energy self-sufficiency. These opportunities are being further examined with the initial aim of reducing the estate's dependency on Eskom and to potentially supply the national grid as a secondary business.

3.9 Principal immovable properties

Boschendal owns the following immovable properties:

Farm name	Title Deed number	Description	In extent [ha]
Boschendal	T17501/2004	Portion 10 of the farm Boschendal No. 1674	106.6539
Simonsberg Nature Reserve	T17501/2004	Portion 1 of the farm Boschendal No. 1674	200.0427
Rhone	T73873/2008	Remaining extent of Farm No. 1730	197.3090
Champagne	T42792/2008	Portion 7 of the farm Boschendal No. 1674	106.6670
Excelsior	T42792/2008	Portion 4 of the farm Boschendal No. 1674	165.2636
Groot Drakenstein Eco Precinct	T42792/2008	Portion 13 of the farm Boschendal No. 1674	341.9417
Rachelsfontein	T42792/2008	Portion 3 of the farm Boschendal No. 1674	115.9123
Rhodes' Cottage	T42792/2008	Portion 6 of the farm Boschendal No. 1674	42.4407
Themba lethu	T42792/2008	Portion 11 of the farm Boschendal No. 1674	76.0665
York Vlaagte	T42792/2008	Portion 1 of the farm No. 1647	49.5372
Boschendal Founders Estate No. 2 Sur le lac	T73855/2008	Portion 2 of the farm Boschendal No. 1685	43.9306
Boschendal Founders Estate No. 3 Shiraz	T73856/2008	Portion 3 of the farm Boschendal No. 1685	24.1046
Boschendal Founders Estate No. 4 The Olive Grove	T73857/2008	Portion 4 of the farm Boschendal No. 1685	20.6242
Boschendal Founders Estate No. 5 Domaine Pierre Simond	T73858/2008	Portion 5 of the farm Boschendal No. 1685	26.2549
Boschendal Founders Estate No. 6 Terroire de la Montagne	T73859/2008	Portion 6 of the farm Boschendal No. 1685	26.1462
Boschendal Founders Estate No. 7 De Villiers Kloof	T73860/2008	Portion 7 of the farm Boschendal No. 1685	18.8834
Boschendal Founders Estate No. 8 Belvoir	T73861/2008	Portion 8 of the farm Boschendal No. 1685	22.3358
Boschendal Founders Estate No. 9 Rachelsfontein	T73862/2008	Portion 9 of the farm Boschendal No. 1685	21.8998
Boschendal Founders Estate No. 10 Le Citron	T73863/2008	Portion 10 of the farm Boschendal No. 1685	20.8165

Farm name	Title Deed number	Description	In extent [ha]
Boschendal Founders Estate No. 11 Nieuwendorp	T73864/2008	Portion 11 of the farm Boschendal No. 1685	20.4928
Boschendal Founders Estate No. 12 The Oaks	T73865/2008	Portion 12 of the farm Boschendal No. 1685	20.0092
Boschendal Founders Estate No. 13 Mont d'Argent	T73866/2008	Portion 13 of the farm Boschendal No. 1685	21.7242
Boschendal Founders Estate No. 14 Giverney	T73867/2008	Portion 14 of the farm Boschendal No. 1685	20.5716
Boschendal Founders Estate No. 15 Zilvermijn Boven	T73868/2008	Portion 15 of the farm Boschendal No. 1685	20.5196
Boschendal Founders Estate No. 18 Tot Drakenstein	T73871/2008	Portion 18 of the farm Boschendal No. 1685	20.7413
Boschendal Founders Estate No. 19 Son et Lumiere	T73872/2008	Portion 19 of the farm Boschendal No. 1685	21.0145
			I 771.9038

3.10 **Commitments for the purchase, construction or installation of buildings, plant, machinery:**

As at the Last Practicable Date, Newco had no material capital commitments, lease payments or contingent liabilities.

As at the Last Practicable Date, Boschendal had no material capital commitments, lease payments or contingent liabilities other than committed or approved capital expenditure required for the implementation of Boschendal's strategic initiatives detailed in paragraph 3.3 of approximately R76.8 million until the end of the financial year ending 30 June 2017 comprising:

Accommodation	R19.2 million
Events and function venues	R18.9 million
Food and beverage upgrades	R9.5 million
Fruit and farming	R15.4 million
Security/fences	R5.1 million
Vineyards	R2.1 million
Water management	R1.5 million
Phase 2 property development	R3.0 million
Other property	R1.8 million
Gift shop upgrades	R0.3 million

3.11 **Company particulars**

Newco is an investment holding company whose sole asset will be a 35% investment in Boschendal following the completion of the Newco Disposal.

3.12 **Litigation statement**

Newco is not party to any actual or threatened litigation.

Actions and applications instituted by or in the process of preparation by Boschendal or Boschendal subsidiaries against various parties:

The action described below is instituted by Boschendal. JCI and Boschendal make no representations regarding the prospects of success or the prospects of recovery in respect of such action. Likewise JCI and Boschendal do not make any representations regarding counter-claims which have been made or may be made and the prospects of successfully resisting such counter-claims. The summary below is an indicative description of the matters and does not purport to be a complete and accurate record of the pleadings.

Parties	Matter description	Amount
Boschendal Proprietary Limited and Douglas Green Bellingham Proprietary Limited	Boschendal has commenced in arbitral proceedings against DGB in respect of a suite of written agreements signed during 2004 and 2005 (and varied from time to time thereafter) in terms of which Boschendal disposed of its winery business to DGB as a going concern. Boschendal contends that under these agreements, it was in effect the intention of the parties that a portion of the Rhone land, described as the Winery Land, be leased from 30 August 2005 to DGB for a period of 99 years. Boschendal contends for the invalidity of the suite of agreements on the basis that they are indivisible and that the lease agreement (which is integral to the suite of agreements) is void because it contravenes sections 3(d) and/or 3(e) of the Subdivision of Agricultural Land Act No. 70 of 1970, for the reason that no ministerial consent was obtained before such lease agreement being entered into (or at any time thereafter). In terms of the arbitration proceedings, Boschendal is seeking the restitution of the winery business and trademark which it sold to DGB, as well as other consequential relief. The arbitration is opposed and Advocate W Trengove has been appointed as arbitrator. The arbitration hearing is scheduled at this stage to begin on 2 February 2015	n/a

Actions and applications instituted or threatened against Boschendal or Boschendal subsidiaries:

The action described below is defended by Boschendal. JCI and Boschendal make no representations regarding the prospects of success or the prospects of recovery in respect of such action. Likewise JCI and Boschendal do not make any representations regarding counter-claims which have been made or may be made and the prospects of successfully resisting such counter-claims. The summary below is an indicative description of the matters and does not purport to be a complete and accurate recordal of the pleadings.

Parties	Matter description	Amount
Department of Environmental Affairs and Development Planning ("DEADP") and Boschendal Proprietary Limited	DEADP issued a pre-compliance notice and a pre-directive to Boschendal for the unlawful commencement of construction activities within a watercourse on Farm 1674, portion 5, Pniel (i.e. for commencing construction activities which involve listed activities in terms of the Environmental Impact Assessment Regulations promulgated in terms of the National Environmental Management Act ("NEMA") without the requisite environmental authorisation). Boschendal responded to DEADP indicating that it would make application in terms of Section 24G of NEMA for the rectification of unlawful commencement.	The potential claim relates to the administrative fine required to be paid in respect of the processing of a Section 24G application. The maximum administrative fine payable in terms of Section 24G is R5 000 000. It is anticipated that the fine will be substantially less than the maximum fine provided for in the law. This amount excludes provision for potential fines payable in terms of any criminal liability in respect of offences under NEMA and/or the National Water Act.

4. **SHARE CAPITAL OF NEWCO**

4.1 **The authorised and issued share capital of Newco before and after the Newco Offer is as follows:**

The number of authorised and issued shares of Newco **before** the Newco Offer is as follows:

Authorised number of shares

7 000 000 000 ordinary shares of no par value

Issued number of shares

120 ordinary share of no par value

The number of authorised and issued shares of Newco **after** the Newco Offer is as follows:

Authorised number of shares

7 000 000 000 ordinary shares of no par value

Issued number of shares

3 356 266 585 ordinary shares of no par value*

* The number of Newco Shares in issue after the Newco Offer is presented on the basis that 100% of the Newco Offer is subscribed (including excess applications). Sufficient irrevocable undertakings have been received as set out in paragraph 7 of the Circular to ensure that the Newco Offer is fully subscribed.

4.2 **Entitlements attaching to Newco Shares**

4.2.1 **Voting rights**

In accordance with Newco's Memorandum of Incorporation, at any general meeting of Newco, every Newco Shareholder who is present in person, by authorised representative or by proxy shall have one vote on a show of hands irrespective of the number of Newco Shares he holds or represents, provided that a proxy shall have, irrespective of the number of Newco Shareholders he represents, only one vote. On a poll, a Newco Shareholder who is present in person or represented by proxy shall be entitled to that portion of the total votes in Newco which the aggregate number of Newco Shares held by that Newco Shareholder bears to the aggregate amount of Newco Shares issued by Newco.

4.2.2 **Rights to distributions and rights on liquidation**

All Newco Shares shall rank *pari passu* in all respects.

4.3 **Alterations to the share capital**

There have been no other alterations to the share capital of Newco besides for the issue of shares pursuant to the Newco Offer as described in this Circular.

4.4 **Issues of Newco Shares and variation of rights**

Newco has not offered any of its securities to the public for subscription or sale during the preceding three years.

All Newco Shares have equal rights to participate in the capital of Newco. Any variation in rights attaching to Newco Shares will require a special resolution of Newco Shareholders in a general meeting in accordance with the Memorandum of Incorporation of Newco.

The issue or disposal of the authorised but unissued capital of the company requires the prior approval of Newco Shareholders in a general meeting.

Further details regarding the authority to issue Newco Shares is set out in the extract of Newco's Memorandum of Incorporation in Annexure 4.

5. **OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF NEWCO SHARES**

There are no options or preferential rights to subscribe for shares in Newco which are capable of being exercised at the date of this Circular.

The board of directors of Boschendal is currently at an advanced stage of finalising the structure and implementation of a proposed employee share incentive scheme ("the Scheme") which is intended as means of securing the services and incentivising the performance of Boschendal's senior management team.

As at the date of this Circular, it is anticipated that the Scheme rules will be based on the following high level principles:

- The Scheme will permit the executive directors and select other senior management the opportunity to subscribe for a maximum of 10% of the issued share capital of Boschendal ("the Scheme Shares"); and
- At fixed future dates over a period of seven years from the date of the implementation of the Scheme, the Scheme participants will be offered the right to subscribe for tranches of the Scheme Shares for cash at a price specific to the percentage of Boschendal acquired which will be determined with reference to the sum of Canombys' total investment price for its 65.0% stake in Boschendal, any additional rights offer proceeds injected into Boschendal from the time of Canombys' investment in September 2012 and an annual consumer price inflation adjustment from the time of the investment or rights offer.

There are no contracts, arrangements or proposed contracts or arrangements other than that of the Scheme as detailed above whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for or acquire any Boschendal or Newco Shares.

6. MATERIAL CONTRACTS

Newco has not entered into any material contracts with the exception of the Newco Disposal.

7. INTERESTS OF DIRECTORS AND PROMOTERS

Before the Newco Offer, Newco is a wholly-owned subsidiary of JCIIF. No directors of JCI or Newco have an interest in Newco.

8. LOANS

8.1 **Following the implementation of the Newco Disposal, Newco shall owe JCIIF the Loan Account as consideration for the Newco Disposal with the following terms:**

Lender	JCIIF
Amount outstanding	R142 285 714
Interest terms	Interest free
Repayment terms	Repayable on demand
Nature of security	None
Value of security	n/a
Conversion/redemption rights	None

8.2 **Boschendal has borrowed monies from Nedbank Limited in order to fund the development and its ongoing operating expenses on the following terms:**

Lender	Nedbank Limited
Amount outstanding	R55 605 079
Interest terms	Prime
Repayment terms	The loan is currently being renegotiated for a facility of R125 million and is repayable on 31 October 2014

Nature of security	<p>The loan is secured by the following:</p> <ul style="list-style-type: none"> • First general covering mortgage bond by Boschendal for R209 000 000 over portions 1, 10 and 12 of the Farm 1674 Boschendal, Paarl Road. • Second general covering mortgage bond by Boschendal for R500 000 000 over portions 1, 10 and 12 of the Farm 1674 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal for R500 000 000 over portions 3, 4, 6, 7, 11 and 13 of the Farm 1674 Boschendal, Remainder portion 1 and portions 2, 4, 5, 6, 7, 9, 10, 11, 12, and 13 of the Farm 153, remainder of Farm 153 and Portion 1 of Farm 1647 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 2 (Pty) Ltd for R28 000 000 over portion 2, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 3 (Pty) Ltd for R19 000 000 over portion 3, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 4 (Pty) Ltd for R20 000 000 over portion 4, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 5 (Pty) Ltd for R22 000 000 over portion 5, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 6 (Pty) Ltd for R17 000 000 over portion 6, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 7 (Pty) Ltd for R19 000 000 over portion 7, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 8 (Pty) Ltd for R20 000 000 over portion 8, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 9 (Pty) Ltd for R22 000 000 over portion 9, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 10 (Pty) Ltd for R23 000 000 over portion 10, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 11 (Pty) Ltd for R25 000 000 over portion 11, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 12 (Pty) Ltd for R22 000 000 over portion 12, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 13 (Pty) Ltd for R17 000 000 over portion 13, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 14 (Pty) Ltd for R16 000 000 over portion 14, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 15 (Pty) Ltd for R19 000 000 over portion 15, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 18 (Pty) Ltd for R20 000 000 over portion 18, of the Farm 1685 Boschendal, Paarl Road. • First general covering mortgage bond by Boschendal Founders Estate 19 (Pty) Ltd for R20 000 000 over portion 19, of the Farm 1685 Boschendal, Paarl Road.
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Release considerations:

Nedbank Limited will release various portions of the properties at 60% of the recommended net sell-out value. Notwithstanding this Nedbank has consented to release Portion 16 of Farm 1685 Boschendal, Paarl Road subject to a release consideration of no less than R2 552 000.

Conversion/redemption rights	None
If repayable within 12 months, how the payments are to be financed	The loan is currently being renegotiated for a facility of R125 million and is repayable on 31 October 2014.

8.3 **Material loans advanced by Newco**

Newco has not advanced any material loans to any party.

9. **SHARES ISSUED OR TO BE ISSUED OTHER THAN FOR CASH**

No shares have been issued other than for cash and no other agreement has been entered into in terms of which Newco Shares will be issued for cash.

10. **PROPERTY ACQUIRED OR TO BE ACQUIRED**

Newco has not acquired and does not propose to acquire any immovable property or fixed assets other than indirectly in terms of the Newco Disposal.

11. **AMOUNTS PAID OR PAYABLE TO PROMOTERS**

No amounts have been paid or are contemplated to be paid to any promoter in relation to the Newco Offer.

12. **PRELIMINARY EXPENSES AND ISSUE EXPENSES**

Newco has not incurred any preliminary expenses in the three years preceding this Circular.

Newco is not liable for any costs in relation to the Newco Offer other than securities transfer tax payable on the acquisition of the Boschendal Shares.

12.1 **Previous issues of securities**

At the date of this Circular, Newco has not issued any Newco Shares with the exception of the 120 Newco Shares issued to JCIIF on the incorporation of Newco.

13. **STATEMENTS AND REPORTS RELATING TO THE NEWCO OFFER**

13.1 **Statement of capital adequacy**

The Directors are of the opinion that:

- the share capital of Newco will be adequate for the purposes of meeting Newco's financial obligations over the next 12 months with the exception of any further rights offers called by Boschendal. Boschendal has indicated that it will raise further capital of R100 million in 2014 of which Newco's share will be R35 million.

13.2 **Report by Directors as to material changes**

The Directors confirm that there have been no material changes in the assets or liabilities of Newco other than as disclosed in this Circular in respect of the acquisition by Newco from JCIIF of its 35% shareholding in Boschendal on Loan Account.

13.3 **Statement as to listing on a stock exchange**

Newco's ordinary shares are not listed on any stock exchange, nor has application been made for such ordinary shares to be listed on any stock exchange, and it is not contemplated that any such application will be made in the foreseeable future.

13.4 **Report by the auditor where business undertaking to be acquired**

Newco does not intend to apply any funds in order to acquire any business undertaking.

13.5 **Report by the auditor where the Company will acquire a subsidiary**

Newco does not intend to apply any funds in order to acquire a subsidiary.

14. **ADDITIONAL MATERIAL INFORMATION**

The salient features of Newco's memorandum of incorporation are set out in Annexure 4.

EXTRACTS FROM JCI'S AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2012 AND 31 MARCH 2011 AND JCI'S DRAFT ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

The historical financial information of JCI has been extracted from the audited consolidated financial statements of JCI for the years ended 31 March 2011 and 31 March 2012 and the draft consolidated financial statements for the year ended 31 March 2013 and should be read in conjunction with the complete financial statements which are available on JCI's website (www.jci.co.za). While the Board does not anticipate any changes to the draft consolidated financial statements for the year ended 31 March 2013, JCI Shareholders are advised that these financial statements are draft and that they have not been signed by JCI's auditors as at the Last Practicable Date. An announcement will be published on JCI's website www.jci.co.za to update JCI Shareholders once the audited financial statements are finalised.

The information is the responsibility of the Directors.

STATEMENT OF FINANCIAL POSITION

	Draft 2013 R'000	Audited 2012 R'000	Audited 2011 R'000
Assets			
Non-current assets			
Biological assets	–	37 402	9 309
Property, plant and equipment	51	414 125	406 640
Investment in Boschendal	160 000	–	–
Cost of control	–	6 795	6 795
Other financial assets	–	96 720	115 646
Listed shares	17 908	–	–
	177 959	555 042	538 390
Current assets			
Inventories	–	132 264	130 907
Other financial assets	–	1 536	12 586
Trade and other receivables	1 739	76 838	75 736
Cash and cash equivalents	1 641	12 545	31 584
	3 380	223 183	250 813
Total assets	181 339	778 225	789 203
Equity and liabilities			
Equity			
Equity attributable to equity holders of the parent			
Share capital and premium	2 108 000	2 108 000	2 108 000
Reserves	(71 105)	(99 115)	(101 873)
Accumulated loss	(1 974 012)	(1 720 732)	(1 816 615)
	62 883	288 153	189 512
Non-controlling interest	–	(2 853)	13 774
	62 883	285 300	203 286
Liabilities			
Non-current liabilities			
Other financial liabilities	–	167 050	215 006
Deferred taxation	–	4 163	–
	–	171 213	215 006
Current liabilities			
Other financial liabilities	80 301	245 754	224 913
Current tax payable	25 000	52 065	49 692
Finance lease obligation	–	–	7
Trade and other payables	12 546	16 117	87 419
Provisions	609	7 776	8 880
	118 456	321 712	370 911
Total liabilities	118 456	492 925	585 917
Total equity and liabilities	181 339	778 225	789 203

STATEMENT OF COMPREHENSIVE INCOME

	Draft 2013 R'000	Audited 2012 R'000	Audited 2011 R'000
Revenue	2 756	10 516	17 450
Cost of sales	–	(1 571)	(3 342)
Gross profit	2 756	8 945	14 108
Other income	9 973	64 770	45 037
Operating expenses	(52 510)	(80 147)	(239 785)
Operating (loss)/profit	(39 781)	(6 432)	(180 640)
Loss on deconsolidation of Boschendal	(13 732)	–	–
Impairment of Investment in Boschendal	(144 547)	–	–
Loss on sale of the VMR Shares	(5 794)	–	–
Share of Boschendal loss equity accounted	(9 728)	–	–
Investment income	13 999	6 561	114 516
Fair value adjustments	–	–	47 585
Finance costs	(3 476)	(34 451)	(39 391)
(Loss)/profit before taxation	(203 059)	(34 322)	(57 930)
Taxation	27 065	(6 816)	(76 964)
(Loss)/profit for the year	(175 994)	(41 138)	(134 894)
Other comprehensive income:			
Impairment of VMR shares	(59 297)	–	–
Total comprehensive loss	(235 291)	(41 138)	(134 894)
(Loss)/profit attributable to:			
Owners of the parent:	(231 563)	(24 511)	(109 665)
Non-controlling interest	(3 728)	(16 627)	(25 229)
	(235 291)	(41 138)	(134 894)
Total comprehensive loss attributable to:			
Owners of the parent	(231 563)	(24 511)	(109 665)
Non-controlling interest	(3 728)	(16 627)	(25 229)
	(235 291)	(41 138)	(134 894)

STATEMENT OF CASH FLOWS

	Draft 2013 R'000	Audited 2012 R'000	Audited 2011 R'000
Cash flows from operating activities			
Cash utilised in operations	(27 763)	(71 747)	(126 323)
Interest income	235	6 561	8 833
Dividends received	13 764	–	5 094
Finance costs	(3 476)	(34 451)	(34 367)
Tax paid	–	(280)	–
Net cash from operating activities	(17 240)	(99 917)	(146 763)
Cash flows from investing activities			
Sale of other financial assets	13 721	17 428	–
Purchase of biological assets	–	(12 355)	–
Purchase of property, plant and equipment	(6)	(9 785)	(5 476)
Sale of property, plant and equipment	–	1 721	15 394
Investment in Boschendal	(9 697)	–	–
Cash receipts from non-consolidated Group loans repaid	1 536	23 818	–
Disposal of/sale of financial assets including treasury shares	–	–	149 475
Net cash from investing activities	5 554	20 827	159 393
Cash flows from financing activities			
Non-Group loans advanced by lenders	7 770	44 539	194 361
Non-Group loans repaid to lenders	–	(2 918)	(24 610)
Group loans repaid	(6 988)	–	–
Finance lease obligations	–	(7)	(157)
Payment of loan settlement fee	–	–	(267 500)
Net cash from financing activities	782	41 614	(97 906)
Total cash movement for the year	(10 904)	(37,476)	(85 276)
Cash excluded in respect of foreign subsidiaries not consolidated	–	18 437	–
Cash at the beginning of the year	12 545	31 584	116 860
Total cash at end of the year	1 641	12 545	31 584

STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Total share capital R'000	Foreign currency translation reserve R'000	Fair value adjustment assets available for sale reserve R'000	Treasury shares R'000	Total reserves R'000	Accumulated loss R'000	Total attributable to equity holders of the Group R'000	Non-controlling interests R'000	Total equity R'000
Balance at 1 April 2010	22 248	1 754 441	1 776 689	(63 691)	2 925	(34 825)	(95 591)	(1 677 253)	3 845	39 003	42 848
Issue of new shares	15 557	–	15 557	–	–	–	–	–	15 557	–	15 557
Share premium – new share issue net of expenses	–	315 754	315 754	–	–	(33 054)	(33 054)	–	282 700	–	282 700
Loss for the year	–	–	–	–	–	–	–	(109 665)	(109 665)	(25 229)	134 894
Other movements	–	–	–	–	(2 925)	–	(2 925)	–	(2 925)	–	(2 925)
Impairments of treasury shares	–	–	–	–	–	29 697	29 697	(29 697)	–	–	–
Balance at 1 April 2011	37 805	2 070 195	2 108 000	(63 691)	–	(38 182)	(101 873)	(1 816 615)	189 512	13 774	203 286
Restatement	–	–	–	–	–	–	–	63 586	63 586	–	63 586
Restated balance at 1 April 2011	37 805	2 070 195	2 108 000	(63 691)	–	(38 182)	(101 873)	(1 753 029)	253 098	13 774	266 872
Income from non-consolidated loans recycled as a result of liquidation or deregistration	–	–	–	–	–	–	–	59 566	59 566	–	59 566
Profit/(loss) for the year	–	–	–	–	–	–	–	(24 511)	(24 511)	(16 627)	(41 138)
Impairment of treasury shares	–	–	–	–	–	2 758	2 758	(2 758)	–	–	–
Balance at 31 March 2012	37 805	2 070 195	2 108 000	(63 691)	–	(35 424)	(99 115)	(1 720 732)	288 153	(2 853)	285 300
Income from non-consolidated loans recycled as a result of liquidation or deregistration (draft)	–	–	–	–	–	–	–	6 293	6 293	–	6 293
Loss for the year (draft)	–	–	–	–	–	–	–	(231 563)	(231 563)	(3 728)	(235 291)
Impairment of treasury shares (draft)	–	–	–	–	–	28 010	28 010	(28 010)	–	–	–
Deconsolidation of subsidiary (draft)	–	–	–	–	–	–	–	–	–	6 581	6 581
Balance at 31 March 2013 (draft)	37 805	2 070 195	2 108 000	(63 691)	–	(7 414)	(71 105)	(1 974 012)	62 883	–	62 883

**EXTRACTS FROM BOSCHENDAL AUDITED FINANCIAL STATEMENTS –
30 JUNE 2013, 30 JUNE 2012 AND 30 JUNE 2011**

The historical financial information of Boschendal has been extracted from the audited financial statements of Boschendal for the years ended 30 June 2011, 30 June 2012 and 30 June 2013 and should be read in conjunction with the complete audited financial statements which are available on JCI's website (www.jci.co.za).

This information is the responsibility of the Directors.

STATEMENT OF COMPREHENSIVE INCOME

	2013	2012	2011
	R	R	R
Revenue	9 699 806	9 630 097	7 131 540
Less: Cost of sales	(910 562)	(1 435 174)	(909 629)
Gross profit	8 789 244	8 194 923	6 221 911
Other Income	3 662 072	3 447 826	10 829 586
Expenses	(31 184 071)	(30 814 089)	(163 047 544)
Reversal of impairment of property, plant and equipment	–	133 236 029	–
Operating profit/(loss)	(18 732 755)	114 064 689	(145 996 047)
Investment revenue	3 008 392	5 775 039	–
Fair value adjustments	10 795 507	(1 605 946)	–
Finance costs	(19 701 483)	(35 212 778)	(31 305 610)
(Loss)/profit before taxation	(24 630 339)	83 021 004	(177 301 657)
Taxation	–	–	(31 574 487)
Profit for the year	(24 630 339)	83 021 004	(208 876 144)
Revaluation of biological assets	–	–	25 342 520
Deferred tax on revaluation of biological asset	–	–	(7 095 905)
Total comprehensive profit/(loss) for the year	(24 630 339)	83 021 004	(190 629 529)

STATEMENT OF FINANCIAL POSITION

	2013 R	2012 R	2011 R
Assets			
Non-current assets			
Property, plant and equipment	241 119 016	238 237 309	102 398 330
Biological assets	51 938 385	38 654 454	36 850 099
	293 057 401	276 891 763	139 248 429
Current assets			
Inventory	139 603 780	140 291 888	132 976 336
Trade and other receivables	2 924 007	63 634 802	61 690 507
Prepayments	–	–	1 000 000
Cash and bank	51 447 422	621 060	1 499 066
	193 975 209	204 547 750	197 165 909
Total assets	487 032 610	481 439 513	336 414 338
Equity and liabilities			
Capital and reserves			
Share capital	578 287 701	276	276
Accumulated loss	(219 394 539)	(194 764 198)	(277 785 202)
	358 893 162	(194 763 922)	(277 784 926)
Non-current liabilities			
Shareholders loans	–	–	428 645 121
	–	–	428 645 121
Current liabilities			
Shareholder' loans	–	487 739 149	–
Short-term portion of interest-bearing loan	117 166 898	177 122 183	171 470 621
Trade and other payables	3 413 384	3 968 840	6 326 280
Provisions	7 559 166	7 373 263	7 477 162
Receiver of Revenue	–	–	280 080
	128 139 448	676 203 435	185 554 143
Total equity and liabilities	487 032 610	481 439 513	336 414 338

STATEMENT OF CASH FLOWS

	2013 R	2012 R	2011 R
Cash from operating activities			
Cash generated from operations	42 850 276	(29 700 581)	(33 541 227)
Interest received	3 008 392	5 775 039	5 315 242
Finance costs	(19 701 483)	(35 212 778)	(31 305 610)
Net cash flow from operating activities	26 157 185	(59 138 320)	(59 531 595)
Cash flows from investing activities			
Purchase of property, plant and equipment	(3 380 633)	(3 269 450)	(4 540 077)
Proceeds from sale of property, plant and equipment	91 133	194 475	–
Biological assets capitalised/acquired	(2 634 314)	(3 410 301)	(3 032 744)
Net cash (outflow)/inflow from investing activities	(5 923 814)	(6 485 276)	(7 572 821)
Cash flows from financing activities			
Proceeds from financial liabilities	–	5 651 562	57 076 106
Repayments of financial liabilities	(59 955 285)	–	–
Proceeds from shareholders' loans	90 548 276	59 094 028	138
Decrease in lease liability	–	–	(57 578)
Net cash inflow from financing activities	30 592 991	64 745 590	57 018 666
Net movement in cash and cash equivalents for the year	50 826 362	(878 006)	(10 085 750)
Cash and cash equivalents at beginning of year	621 060	1 499 066	11 584 816
Cash and cash equivalents at end of year	51 447 422	621 060	1 499 066

STATEMENT OF CHANGES IN EQUITY

	Share capital R	Share premium R	Total share capital R	Accumu- lated loss R	Total equity R
Balance at 30 June 2009	138	–	138	(67 896 112)	(67 895 974)
Loss for the year	–	–	–	(19 259 561)	(19 259 561)
Balance at 30 June 2010	138	–	138	(87 155 673)	(87 155 535)
Issue of share capital	138	–	138	–	138
Loss for the year	–	–	–	(190 629 531)	(190 629 531)
Balance at 1 July 2011	276	–	276	(277 785 204)	(277 784 928)
Total comprehensive income for the year	–	–	–	83 021 004	83 021 004
Balance at 1 July 2012	276	–	276	(194 764 200)	(194 763 924)
Total comprehensive income for the year	–	–	–	(24 630 339)	(24 630 339)
Issue of shares	76	578 287 349	578 287 425	–	578 287 425
Balance at 30 June 2013	352	578 287 349	578 287 701	(219 394 539)	358 893 162

EXTRACTS FROM THE MEMORANDUM OF INCORPORATION OF NEWCO

The following sections use the definitions as set out in the Memorandum of Incorporation of Newco which is available for inspection as provided for in paragraph 20 of the Circular.

The extracts below highlight certain key clauses from the Newco Memorandum of Incorporation, and should be read together with the full Newco memorandum of incorporation.

7. APPLICATION OF OPTIONAL PROVISIONS OF THE ACT

- 7.1 The Company, being a Private Company does not elect, in terms of section 34(2), to comply voluntarily with the provisions of Chapter 3 (Enhanced Accountability and Transparency) of the Act.
- 7.2 The Company, being a Private Company, does not elect, in terms of section 118 (1)(c)(ii), to submit voluntarily to the provisions of Parts B and C of Chapter 5 of the Act nor to the Takeover Regulations provided for in the Act.
- 7.3 The Company, being a Private Company, elects, in terms of section 30(2)(b)(ii), that the annual financial statements of the Company be audited

8. SECURITIES OF THE COMPANY

8.1 Shares

The Company has an authorised share capital of 7 000 000 000 (seven billion) ordinary Shares of no par-value each of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to:

- 8.1.1 vote on any matter to be decided by the Shareholders of the Company and to 1 (one) vote in the case of a vote by means of a show of hands, and in the case of a poll has the number of votes determined in accordance with the voting rights associated with the Shares held by that Shareholder;
- 8.1.2 participate proportionally in any distribution made by the Company in respect of its holding Shares; and
- 8.1.3 participate in the distribution of the residual value of the Company upon its dissolution.

8.7 Transfer and transmission of Shares

- 8.7.1 There shall be no restriction on the transferability of Securities.

21. VOTES OF SHAREHOLDERS

- 21.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this Memorandum or the Shareholders Agreement, at a meeting of the Company:
 - 21.1.1 every person present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise; and
 - 21.1.2 any person who is present at the meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Securities held by that Shareholder; and
 - 21.1.3 on a poll any person who is present at the meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Securities held by that Shareholder.

25. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

25.1 Number of Directors

- 25.1.1 Unless otherwise determined by the Shareholders, the minimum number of Directors shall be 2 (two) and the maximum number 6 (six).

- 25.1.2 No person shall be appointed or elected as a Director if such person is in terms of the Act or in terms of this Memorandum ineligible to serve or is disqualified from serving as a Director.
- 25.1.3 Every person holding office as a Director, Prescribed Officer, Company secretary or auditor of the Company immediately before the Effective Date will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.
- 25.1.4 The decision to delegate any of the powers of the Directors to any committee shall be determined by Special Resolution of the Shareholders as referred to in this Memorandum.

25.2 **Appointment and nomination of Directors**

- 25.2.1 Each Nominating Shareholder shall be entitled, in respect of each completed 15% (fifteen percent) shareholding in the Company, to appoint 1 (one) Director from time to time and to replace and remove such Director.
- 25.2.2 Shareholders each holding less than a completed 15% (fifteen percent) shareholding in the Company may, by written notice to the Company, act in concert with other Shareholders holding less than a completed 15% (fifteen percent) shareholding in the Company ("Concert Shareholders"), such that for each completed 15% (fifteen percent) shareholding in the Company held together by such Concert Shareholders, those Concert Shareholders will be entitled to act as a Nominating Shareholder pursuant to clause 25.2.1.
- 25.2.3 In the event that a Nominating Shareholder nominates a person for election to the Board pursuant to the provisions of clause 25.2.1, and in accordance with the provisions of clause 25.2.5, the Board shall ensure that a Shareholders meeting is held or that a suitable Ordinary Resolution is submitted to Shareholders without unreasonable delay for the purpose of conducting such election.
- 25.2.4 The Shareholders agree to exercise their respective voting rights at the meeting referred to in clause 25.2.3 or in respect of the Ordinary Resolution submitted to them in terms of such clause, so as to procure the election of the nominee of the Nominating Shareholder in question to the Board. If any Shareholder fails to exercise its voting rights or in any manner exhibits any intention of not so exercising its voting rights, the Nominating Shareholder in question is hereby irrevocably authorised by such Shareholder to exercise all its voting rights as a Shareholder so as to enable such nominee to be elected to the Board.
- 25.2.5 The nomination by a Nominating Shareholder of a person for election to the Board, shall be effected by notice to the Company, accompanied by a written consent by the nominee to serve as a Director, provided that such notice and consent shall also be accompanied by a written acknowledgement by such nominee that he shall be deemed *ipso facto* to have resigned from office as such forthwith upon him being required to cease holding office as a Director in terms of clauses 25.2.6 and 25.2.7, which written acknowledgement shall irrevocably appoint such Nominating Shareholder as his agent to sign all documents and do all such things as are or may be necessary or required to give effect to and implement his resignation, and shall further confirm that such person shall have no claims against either the Company, or the Shareholders, arising from or relating to such resignation.
- 25.2.6 Any person who has been elected as a Director, following his nomination for such election by a particular Nominating Shareholder may at any time be removed as a Director by such Nominating Shareholder. Such removal shall be effected by notice given to the Company and such Director by the Nominating Shareholder in question and shall be effective immediately on giving such notice. Without detracting in any way from the provisions of this clause 25.2.6, the Nominating Shareholder in question may require the Board to convene a Shareholders meeting for the purpose of removing any nominee of such Nominating Shareholder from the Board and all the other Shareholders shall be bound to exercise their voting rights as Shareholders in support of such removal. If any Shareholder fails to exercise its voting rights or in any manner exhibits an intention of not so exercising its voting rights, the Nominating Shareholder whose nominee is to be removed as director is hereby irrevocably authorised by such Shareholder to exercise all its voting rights as a Shareholder so as to enable such nominee to be removed from the Board.
- 25.2.7 If a Nominating Shareholder's shareholding falls below the required minimum percentage contained in clause 25.2.1, then such Nominating Shareholder's shall procure the resignation or removal of the nominee as a Director of the Company. Such removal or resignation shall be effected in terms of the provisions of clause 25.2.6 above. Without detracting from this clause 25.2.7, the Nominating Shareholder in question may require the Board to convene a Shareholders meeting for the purpose of removing any nominee of such Nominating Shareholder from the Board and all the other Shareholders

shall be bound to exercise their voting rights as Shareholders in support of such removal. If any Shareholder fails to exercise its voting rights or in any manner exhibits an intention of not so exercising its voting rights, the Nominating Shareholder whose nominee is to be removed as Director is hereby irrevocably authorised by such Shareholder to exercise all its voting rights as a Shareholder so as to enable such nominee to be removed from the Board.

25.2.8 All Directors shall be elected for an indefinite term by an Ordinary Resolution of the Shareholders.

25.2.9 The Company shall have no *ex officio* Directors as contemplated in section 66(4) of the Act.

28. **BORROWING POWERS**

28.1 Subject to the provisions of clause 28.2 and the other provisions of this Memorandum, the Directors may from time to time:

28.1.1 borrow for the purposes of the Company such sums as they think fit; and

28.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

28.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by:

28.2.1 the Company; and

28.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised), shall not exceed, to the extent applicable, the aggregate amount at that time authorised by the Board to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

EXTRACTS FROM THE BOSCHENDAL SHAREHOLDERS' AGREEMENT AND MEMORANDUM OF INCORPORATION OF BOSCHENDAL

Boschendal Shareholders' Agreement:

The following sections use the definitions as set out in the Boschendal Shareholders' Agreement which is available for inspection as provided for in paragraph 20 of the Circular.

The extracts below highlight certain key clauses from the Boschendal Shareholders' Agreement and should be read together with the full Boschendal Shareholders' Agreement.

8. TRANSFER OF SHARES GENERALLY AND DEEMED OFFER

- 8.1 A Shareholder shall only be entitled to dispose of any share in the capital of the Company or any interest therein:
- 8.1.1 If such Disposal is pursuant to the provision of this Agreement;
 - 8.1.2 If it disposes of a concomitant portion of his loan account against the Company, if it Disposes of ordinary shares in the issued share capital of the Company, and no Disposal of such Equity shall be affective to a third party, unless and until such third party has agreed in writing to be bound by all the terms and conditions of this Agreement, on an unqualified basis and stipulated a *domicilium citandi et executandi* for the purpose of clause 23.

9. SALE OF SHARES AND PRE-EMPTIVE RIGHTS

- 9.1 Save as provided for in clauses 8.2, 8.5 and/or 9.9 (or any other permitted provision in this Agreement), any shareholders ("the selling Shareholder"):
- 9.1.1 wishing to Dispose of any shares in and concomitant portion of its loan account against the Company; or
 - 9.1.2 forced to Dispose of any shares in and concomitant portion of its loan account against the Company, for any reason whatsoever.

whether by private treaty, public auction or in the event that a creditor wishes to take ownership of such Selling Shareholder's shares pursuant to a default by the Selling Shareholder of any obligations which it owes to such creditor on behalf of the Company shall be obliged to offer, (the "Offer") all such Equity to the other Shareholders(s) ("the Remaining Shareholder(s)") by giving notice in writing thereof ("the Transfer Notice") to the company and to the Remaining Shareholder(s) save only in the circumstances contemplate in clause 9.1.2, where the selling shareholders shall be obliged to use its reasonable endeavours to procure that the third party forcing the Disposal first offers the Equity concerned to the Remaining Shareholders by giving the Transfer Notice as provided for in the this clause 9.

- 9.8 Should there be a *bona fide* third party offer to acquire shares in the Company in respect of which the consideration payable by such third party for the shares involves the issue of shares and/or the transfer of shares in any other entity to the Seller, then the other Shareholders in the Company shall still be entitled to exercise their pre-emptive rights and to pay cash for the shares of the Seller.
- 9.9 Subject to the provisions of clause 8.1 and notwithstanding any other provision contained in this Agreement or the preceding provisions of this clause 9, Canombys shall be entitled freely to Dispose of a maximum of 10% (ten percent) of the Equity held by it from time to time, at any time after the Effective Date, to Tredoux Capital, without triggering any pre-emptive right in favour of JCIIF, and the Company hereby agrees to such Disposal.

11. COME ALONG (MAJORITY CALLS)

- 11.1 If at any time the Shareholder(s) holding not less than 50% (fifty percent), plus 1 (one) share, but less than 100% (one hundred percent), of all the issued ordinary shares in the capital of the Company ("the Majority Shareholder") receive the offer for all the issued ordinary shares in the capital of the Company ("the Offer") from a third party ("the Offeror") which it wishes to accept (after first having complied with the relevant provisions of clause 9.1 and the Remaining Shareholders having refused the offer made to them in terms of clause 9.1), then the following provisions shall apply:
- 11.1.1 The Majority Shareholder(s) shall forthwith and in writing furnish the other Shareholder(s) ("the Minority Shareholders") with full details of the Offer, including, without limitation the price, terms of payment, terms of security for payment (if any) and the identity of the Offeror and its direct or indirect controllers (if applicable);

- 11.1.2 within 30 (thirty) days of receipt of the said details, the Minority Shareholders(s) shall be entitled to purchase from the Majority Shareholder(s) in the Company its Equity at the same price and on the same terms and conditions, *mutatis mutandis*, contained in the Offer; and
 - 11.1.3 if the Minority Shareholder elects not to purchase the Equity as provided for in clause 11.1.2, then the Minority Shareholders shall be obliged, if required by the Offeror or the Majority Shareholder(s), to Dispose of their entire Equity, to the Offeror at the same price and on the same terms and conditions contained in the Offer, *mutatis mutandis*.
- 11.2 The provisions of clause 11.1 shall only apply if:
- 11.2.1 the Offeror is dealing *bona fide* and at arm's length; and
 - 11.2.2 the Offer includes terms and conditions relating to the purchase price, the terms as to payment thereof and the terms as to the provisions of security (if any) for the payment thereof.

12. TAG ALONG (MINORITY CALLS)

If at any time one or more Shareholder(s) individually or collectively holding more than 50% (fifty percent) of all the issued ordinary shares in the capital of the Company (the "Majority Shareholder(s)") receive(s) an offer (the "Offer") for at least 51% (fifty one percent) of such shares from a third party (the "Offeror") dealing *bona fide* and at arm's length, which it (they) wish(es) to accept (after first having complied with the relevant provisions of clause 9.1 and the Remaining Shareholders having refused the offer made to them in terms of clause 9.1), then the following provision shall apply:

- 12.1 the Majority Shareholder(s) shall forthwith and in writing furnish the other Shareholder(s) (the "Minority Shareholder(s)") with full details of the Offer including, the price, terms of payment, terms of security for payment (if any) and the identity of the Offeror and its direct or indirect Controllers (if applicable);
- 12.2 the Minority Shareholder(s) shall be entitled, by notice in writing to such effect to the Majority Shareholder(s), within 30 (thirty) days of receipt of the said details, to require that its (their) Equity (the "Minority Equity") be acquired by the Offeror at the same price and upon the same terms and conditions *mutatis mutandis* as are contained in the Offer; and
- 12.3 the Majority Shareholder(s) shall not be entitled to accept the Offer unless the Offeror purchases the Minority Equity offered for sale in terms of clause 12.2 above.

Boschendal Memorandum of Incorporation:

The following sections use the definitions as set out in Boschendal's memorandum of incorporation which is available for inspection as provided for in paragraph 20 of the Circular.

The extracts below highlight certain key clauses from the Boschendal memorandum of incorporation and should be read together with the full Boschendal Memorandum of Incorporation.

9. PRE-EMPTION ON ISSUE OF ORDINARY SHARES

- 9.1 Save if:
 - 9.1.1 ordinary Shares are to be issued for the acquisition of any asset or for an Amalgamation or Merger;
 - 9.1.2 the Shareholders approve by ordinary resolution, but subject always to the requirements of clause 13, the issue of ordinary Shares for any other purpose without this clause applying;
 - 9.1.3 a capitalisation issue of ordinary Shares is to be undertaken;
 - 9.1.4 ordinary Shares are to be issued in terms of option or Conversion rights; or
 - 9.1.5 ordinary shares are to be issued for a subscription price which is not a cash amount payable in full on subscription,

each Shareholder holding ordinary Shares has a right, before any other Person who is not an ordinary Shareholder, to be offered and within a reasonable time to subscribe for a percentage of the ordinary Shares to be issued equal to the Voting Power of that Shareholder's general Voting Rights immediately before the offer was made. The *pro rata* offer to the ordinary Shareholders shall be delivered in writing (and clause 28.3 shall not apply) specifying the number of ordinary Shares offered, and specifying a time (which shall not be less than 90 (ninety) days) by which the offer must be accepted and the requisite portion of the subscription price paid, failing which it shall be deemed to be rejected. After the expiration of the time within which an offer may be accepted, or on the receipt of an intimation from the Person to whom the offer is made that he/she/it declines to accept the ordinary Share offered, the Directors may, subject to the foregoing provisions, issue such ordinary Shares in such manner as they think most beneficial to the Company.

- 9.2 Save as provided in clause 9.1, the pre-emptive right in section 39(2) shall not apply in respect of the issue of any other classes of Securities.

13. MINORITY PROTECTIONS

Notwithstanding anything to the contrary contained in this MOI, and with effect from the Effective Date, the Company shall not engage in, agree to, perform or undertake, nor commit itself to or implement any of the undermentioned acts or matters, except as may be approved or agreed to in Writing (in one or more Written instruments signed by or on behalf of the Shareholders), by Shareholders who at the relevant time hold at least 75% (seventy five percent) of the number of ordinary shares in the issued share capital of the Company, and the powers of the Board shall be limited accordingly:

- 13.1 the undertaking of any new business or activity which falls outside of the scope of:
 - 13.1.1 the business of the Company as described in clause 4.3; or
 - 13.1.2 any other business which the Company may undertake from time to time after the Effective Date, with the agreement of the Shareholders or as authorised in terms of this Agreement;
- 13.2 the disposal or transfer (whether directly or through a subsidiary or other vehicle) of any business or other investment of the Company;
- 13.3 the pledging, mortgaging, hypothecating or encumbering of any assets of the Company in any manner whatsoever, other than in the conduct of the business in the normal and ordinary course;
- 13.4 any decision not to insure (or to insure for a lesser amount) the assets of the Company against such risks as may be recommended by the Company's insurance brokers;
- 13.5 the change of name of the Company;
- 13.6 the appointment or dismissal of the Company's auditor;
- 13.7 any change in the basis of accounting otherwise than in accordance with generally accepted accounting principles from those used during the immediately preceding financial year;
- 13.8 any amendment of the MOI;
- 13.9 the alteration, increase, reduction or conversion of the Company's authorised or issued share capital, save as may be agreed by the Shareholders and the Company in any Shareholders Agreement;
- 13.10 any variation of any of the limitations and other rights attaching to any shares or class of shares in the issued share capital of the Company;
- 13.11 the issue or allotment by the Company of any capitalisation shares, bonus shares, share options, share warrants or debentures, but excluding the issue and allotment of any ordinary shares to Shareholders in terms of any Shareholders' Agreement;
- 13.12 the repurchase by the Company of any of the Company's issued shares;
- 13.13 the making of any loans exceeding in the aggregate of R100 000 (one hundred thousand Rand) during any one financial year of the Company;
- 13.14 the issue of guarantees or suretyship or indemnities of any unusual nature;
- 13.15 the listing of any of the Company's shares or its share options on any stock exchange;
- 13.16 the approval of share option schemes for directors of the Company or any other employees of the Company;
- 13.17 the approval of major transactions and contracts falling outside of the conduct of the business of the Company from time to time in the normal and ordinary course;
- 13.18 the conclusion and/or implementation of any transaction with:
 - 13.18.1 any Shareholder; or
 - 13.18.2 officer or director of the Company or any relative of any of the foregoing; or
 - 13.18.3 any entity in which any of the foregoing has an interest or which has an interest in any Shareholder, save for any transaction with any of the foregoing persons in the conduct of the business of the Company from time to time in the normal and ordinary course;
- 13.19 save for any payment due to that director in terms of his employment agreement, the approval of payments to directors of the Company for loss of office or in connection with schemes of arrangements or of take-overs;
- 13.20 the liquidation or winding-up, de-registration or the discontinuance of the business activities of the Company;
- 13.21 a compromise generally with the Company's creditors;
- 13.22 any re-structuring of the Company, merger of the Company with any other entity, and any joint venture agreements, other than joint ventures concluded in the conduct of the business of the Company from time to time in the normal and ordinary course; and
- 13.23 the undertaking of any act which requires a special resolution of the Company to be passed under or in terms of the Act.

INDEPENDENT EXPERT REPORT – FAIR AND REASONABLE REPORT

“INTRODUCTION

SizweNtsalubaGobodo (“SNG”) has been appointed by the board of directors (the “Directors”) of JCI Limited (“JCI”) to provide independent advice to the Directors and shareholders as to the fair and reasonableness of the price for the sale of JCI’s 49% stake in Boschendal Proprietary Limited (“Boschendal” or the “Company”) in terms of the Canombys Disposal and Newco Disposal as defined in the circular to JCI shareholders dated Tuesday, 8 July 2014 (“Transaction(s”).

The Offer Consideration is R160 million for the abovementioned investment (“Consideration”).

As at the date of this opinion, the share capital of the Company comprises authorised share capital comprising 10 000 000 ordinary shares of 0.0001 cent each (“Ordinary Shares”) and issued share capital of 5 128 324 Ordinary Shares.

EXPLANATION OF FAIR AND REASONABLE

For the purpose of our opinion, fairness is primarily based on a quantitative assessment. Therefore, the consideration payable to JCI would be considered to be fair if the consideration payable is equal to or greater than an arm’s length market-related price for the shares, as determined in accordance with an accepted valuation approach, or unfair if the opposite would hold true.

An assessment of the reasonableness is based primarily on factors other than quantitative issues which may affect a reader’s assessment of the opinion.

RESPONSIBILITY

Compliance with the Companies Act is the responsibility of the Directors. Our responsibility is to report to Directors and shareholders on the fairness and reasonableness of the terms of the Transactions.

SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information obtained from the management of JCI and Boschendal and from various public, financial and industry sources. Our conclusion is dependent on such information being accurate in material respects.

The principal sources of information used in formulating our opinion regarding the transaction include:

- Information obtained from discussions held with the management of JCI and Boschendal;
- Audited annual financial statements of Boschendal for the periods ended 30 June 2012 to 30 June 2013;
- The latest available unaudited management accounts of Boschendal;
- Forecast financial information for periods ending 30 June 2014, 2015, 2016, 2017, 2018, 2019 and 2020 for Boschendal prepared by management;
- Publicly available information relating to Boschendal, JCI and other companies in their respective sectors that we deemed to be relevant, including company announcements and media articles;
- The terms and conditions of the Transactions;
- The valuation reports of Rode Valuations (31 March 2012) and C Hofmeyer MSc US (2 December 2013) on the Estate Boschendal.

Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, including publicly available information, whether in writing or obtained in discussions with management.

PROCEDURES

In arriving at our opinion, we have, *inter alia*:

- Considered information made available by JCI and its advisors and from discussions held with the management of JCI and Boschendal;
- Discussed the Transactions with the management of JCI and Boschendal;
- Reviewed the audited financial information related to Boschendal;
- Reviewed and obtained an understanding from the management of Boschendal as to the forecast financial information of Boschendal and assessed achievability thereof by considering historic financial information and other economic data;
- Discussed the Boschendal forecast financial information with the JCI management including the assessment of the achievability thereof;
- Furthermore, we have taken the following qualitative factors into account, both of which necessarily involve a subjective assessment:
 - the financial terms of the Transactions in comparison with the financial terms of certain other transactions that we deemed to be relevant; and
 - the assessment of the board as to the benefits it expects from the Transactions;
- Obtained representations from the management of JCI where appropriate; and
- Reviewed the audited annual financial statements of Boschendal and publicly available information relating to Boschendal.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- That all agreements that are to be entered into in terms of the Transactions will be legally enforceable;
- That the recent transaction involving the acquisition of IFA Boschendal Proprietary Limited's stake in Boschendal by Canombys and the subsequent rights issue which resulted in the dilution of JCI's shareholding represent arm's length transactions; and
- That the discount percentage between the valuations performed by Rode Valuations and the valuation performed by D Hofmeyer remains constant.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Reliance on valuation reports;
- Reliance on the audited financial information;
- Analysing the valuation reports and enquiring from professionals in the field; and
- Determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of and the economic environment in which the Company operates.

LIMITING CONDITIONS

This opinion is provided to the directors and shareholders of JCI in connection with and for the purpose of the Transactions. The opinion does not purport to cater for each individual shareholders' perspective, but rather that of the general body of shareholders.

Individual shareholders' decisions regarding the Transactions may be influenced by such shareholders' particular circumstances and accordingly individual shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the Transactions.

We have relied upon and assumed the accuracy of information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagements does not constitute an audit conducted in accordance with generally accepted standards.

Where relevant, forward-looking information relates to future events and is based on assumptions that may or may not remain valid for the whole of the focus period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the company's actual future result will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have also assumed that the Transactions will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

INDEPENDENCE, COMPETENCE AND FEES

We confirm that SNG meet the requirements as set out in section 114(2) of the Companies Act. We also confirm that we have the necessary qualifications and competencies to provide the Fair and Reasonable Opinion on the Transactions.

Furthermore, we confirm that our professional fees of R150 000 excluding VAT is payable in cash and is not contingent upon the success of the Transactions.

VALUATION APPROACH

SNG performed a valuation to determine whether the value of the Transactions represents fair value to JCI shareholders. To determine the most appropriate valuation approach, the following methodologies were assessed: recent sale transaction approach and the latest valuation report of the Boschendal Estate. Boschendal is currently making losses, which indicates that its true value is currently not being unlocked, thus although positive cash flows were projected, these are not considered to be a fair reflection of the fair value of the investment. Another implication of the current losses is that sustainable earnings of Boschendal cannot be determined thus making the use of the PE multiple inappropriate. Based on this, the valuation methodologies employed included reference to recent transactions as the primary valuation methodology and the recent valuation of the Boschendal Estate as a secondary methodology.

The valuation was performed taking cognisance of risk and other market and industry factors affecting each operation.

External value drivers, including expected future growth, interest rates, headline inflation rate and prevailing market and industry conditions in respect of the farming and property sectors were also considered in assessing the forecast cash flows, valuations and risk profile.

Key internal value drivers to the valuation reports included an assessment on the various uses of the land on the estate and comparable sales within the region.

VALUATION RESULTS

In undertaking the valuation exercise above, we determined a valuation range of the 49% investment in Boschendal as being from R147 million to R170 million (valuation range is between R186 million and R209 million after the rights offer cash injection of R80 million) for 49% of the shares thus the estimated fair value of the investment is R158.5 million (R197.7 million after the rights offer cash injection). The valuation above is provided solely in respect of this Fair and Reasonable Opinion and should not be used for any other purposes.

USE OF THIS OPINION

Our advisory services and the opinion expressed herein are provided solely for the information of JCI, its board and their shareholders in their evaluation of the Transactions, but our opinion is not intended to be and does not constitute a recommendation to any shareholder as to how such shareholder should act on any matters relating to the Transactions. An individual shareholder's decision may be influenced by such shareholder's particular circumstances and Shareholders are advised to consult their own independent financial expert if they have any doubts as to the merits or otherwise of the Transactions. In addition, shareholders should obtain advice on the taxation, legal and other implications of the Transactions since these implications have not been assessed by us.

We hereby consent to our name being used and ascribed to this opinion and to the inclusion of references to our opinion, in the form and context in which they appear herein, in the proposed circular to the JCI shareholders. This opinion shall not otherwise, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time, in any manner or for any purpose, without our prior written consent.

OPINION

SNG has considered the terms and conditions of the Transactions and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Transactions, based on quantitative considerations, are fair to the JCI shareholders as the R160 million value (before the rights offer cash injection of R80 million) approximates the fair value of the investment.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Transactions are reasonable from the perspective of the JCI shareholders. It is our understanding that following the Transactions, there is no anticipated material change in the business model of either company.

Our opinion is necessarily based upon the information available to us up to 25 June 2014, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and approvals or consent required in connection with the Transactions have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

SizweNtsalubaGobodo Inc.

Director: Dumisani Manana

Chartered Accountant (SA)

Registered Auditor

Woodmead
25 June 2014"

TABLE OF ENTITLEMENT

The table of Entitlement of JCI Shareholders to receive Newco Offer Shares is set out below.

Number of existing JCI Shares	Number of Newco Offer Shares to which a JCI Shareholder is entitled	Number of existing JCI Shares	Number of Newco Offer Shares to which a JCI Shareholder is entitled
1	1	54	54
2	2	55	55
3	3	56	56
4	4	57	57
5	5	58	58
6	6	59	59
7	7	60	60
8	8	61	61
9	9	62	62
10	10	63	63
11	11	64	64
12	12	65	65
13	13	66	66
14	14	67	67
15	15	68	68
16	16	69	69
17	17	70	70
18	18	71	71
19	19	72	72
20	20	73	73
21	21	74	74
22	22	75	75
23	23	76	76
24	24	77	77
25	25	78	78
26	26	79	79
27	27	80	80
28	28	81	81
29	29	82	82
30	30	83	83
31	31	84	84
32	32	85	85
33	33	86	86
34	34	87	87
35	35	88	88
36	36	89	89
37	37	90	90
38	38	91	91
39	39	92	92
40	40	93	93
41	41	94	94

Number of existing JCI Shares	Number of Newco Offer Shares to which a JCI Shareholder is entitled	Number of existing JCI Shares	Number of Newco Offer Shares to which a JCI Shareholder is entitled
42	42	95	95
43	43	96	96
44	44	97	97
45	45	98	98
46	46	99	99
47	47	100	100
48	48	1 000	1 000
49	49	10 000	10 000
50	50	100 000	100 000
51	51	1 000 000	1 000 000
52	52	1 000 000 000	1 000 000 000
53	53		

JCI STATEMENT OF NET ASSET VALUE

JCI Net asset value statement	Note	After the Canombys Disposal and Boschendal Rights Offer	Before the Canombys Disposal and Boschendal Rights Offer	
		19 June 2014* R000	19 June 2014 R000	31 March 2013 R000
ASSETS				
Listed and unlisted investments		144 201	161 915	177 908
Boschendal Proprietary Limited	1	142 286	160 000	160 000
Village Main Reef Limited	2	1 915	1 915	17 908
Other assets		4 362	1 648	3 380
Deposits		1 240	1 240	1 739
Cash and cash equivalents		3 122	408	1 641
TOTAL ASSETS		148 563	163 563	181 288
LIABILITIES				
Income tax provision	3	(25 000)	(25 000)	(25 000)
Short term loan – Investec		(88 690)	(103 690)	(80 301)
Trade and other payables		(5 794)	(5 794)	(13 155)
TOTAL LIABILITIES		(119 484)	(134 484)	(118 456)
NET ASSETS		29 079	29 079	62 832
ISSUED SHARES				
Number of shares		3 780 509 213	3 780 509 213	3 780 509 213
Treasury shares		(424 242 748)	(424 242 748)	(424 242 748)
		3 356 266 465	3 356 266 465	3 356 266 465
Value per share – issued shares (Rand)		0.0077	0.0077	0.0166
Value per share – issued shares excluding treasury shares (Rand)		0.0087	0.0087	0.0187

* NAV statement reflected after the implementation of the Canombys Disposal which resulted in:

- the value of JCI's investment in Boschendal decreasing as a result of the sale of 14% of Boschendal but increasing by the proportionate share of the Boschendal Rights Offer;
- the short terms loans decreasing by R15 million; and
- the cash increasing by R2.714 million.

	After the Canombys Disposal and Boschendal Rights Offer	Before the Canombys Disposal and Boschendal Rights Offer	
	19 June 2014* R000	19 June 2014 R000	31 March 2013 R000
Notes to net asset value statement			
1. BOSCHENDAL	142 286	160 000	160 000
<p>JCI's 49% stake in Boschendal is valued at R1 60 000 000 before the Canombys Disposal and the Boschendal Rights Offer and at R142 285 714 thereafter.</p> <p>The value of the 35% stake is the same <i>pro rata</i> value for 35% (R1 60 000 000 ÷ 49% * 35%) plus a pro-rata share of the Boschendal Rights Offer (R80 million * 35%).</p>			
<i>*After the implementation of the Canombys Disposal, the value of JCI's remaining 35% interest in Boschendal equals the value of the Newco Disposal.</i>			
2. VILLAGE MAIN REEF LIMITED	1 915	1 915	17 908
5 175 938 shares at 37 cents (2013 – 39 592 313 shares at 45.23 cents)			
3. CURRENT TAX PAYABLE	(25 000)	(25 000)	(25 000)
<p>Estimated liability for company taxation</p> <p>Estimate of liability to SARS which the directors believe to be conservative taking into account legal and tax opinions received.</p>			



JCI LIMITED

Incorporated in the Republic of South Africa
Registration number 1894/000854/06

NOTICE OF GENERAL MEETING

All terms defined in the Circular with which this notice of General Meeting is enclosed shall bear the same meanings herein.

Notice is hereby given that a General Meeting of the shareholders of JCI will be held at the Balalaika Hotel, 20 Maude Street, Sandown, Sandton at 14:00 on Wednesday, 6 August 2014.

The record date for determining which JCI Shareholders must be recorded in the securities register in order to receive the Circular and this notice of General Meeting is Friday, 27 June 2014.

The General Meeting Record Date on which JCI Shareholders must be recorded as such in the securities register maintained by the Transfer Secretaries of JCI and Capita Asset Services for the purposes of being entitled to attend and vote at the General Meeting is Friday, 1 August 2014.

In terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified. Accordingly, all JCI Shareholders will be required to provide identification reasonably satisfactory to the chairman of the General Meeting in order to participate in and vote at the General Meeting.

The purpose of the meeting is to transact the business, and to consider and, if deemed fit, to pass, with or without modification, the resolutions set out below:

ORDINARY RESOLUTION NUMBER 1:

“RESOLVED THAT, the Newco Disposal, on the terms described in this Circular and as set out fully in the relevant legal agreements which are available for inspection in terms of paragraph 20, be approved.”

In order to be adopted, the abovementioned resolution must be supported by more than 50% of the voting rights exercised on such resolution.

ORDINARY RESOLUTION NUMBER 2:

“RESOLVED THAT, the Newco Offer, on the terms described in this Circular, be approved.”

In order to be adopted, the abovementioned resolution must be supported by more than 50% of the voting rights exercised on such resolution.

ORDINARY RESOLUTION NUMBER 3:

“RESOLVED THAT any Director or the company secretary of JCI be and is hereby authorised to do all such things and sign all such documents as are necessary to give effect to the ordinary resolutions proposed at the General Meeting at which this ordinary resolution is proposed.”

In order to be adopted, the abovementioned ordinary resolution must be supported by more than 50% of the voting rights exercised on such resolution.

VOTING

On a show of hands, every JCI Shareholder who is present in person, by proxy or represented at the General Meeting shall have one vote (irrespective of the number of JCI Shares held) and on a poll, every JCI Shareholder shall have for each share held by him that proportion of the total votes in JCI which the aggregate amount of the nominal value of that share held by him bears to the aggregate of the nominal value of all the shares issued by JCI.

ELECTRONIC PARTICIPATION

JCI Shareholders wishing to participate electronically in the General Meeting are required by no later than 14:00 on Tuesday, 5 August 2014 to deliver written notice to the JCI company secretary at the offices of Statucor Proprietary Limited; 22 Wellington Road, Parktown, Johannesburg 2193 (marked for the attention of the JCI company secretary, Diane Eurelle) that they wish to participate via electronic communication at the General Meeting ("**Electronic Notice**").

In order for the Electronic Notice to be valid it must contain: (a) if the JCI Shareholder is an individual, a certified copy of his/her identity document and/or passport; (b) if the JCI Shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution or signed the relevant letter of representation. The letter of representation or resolution must set out who from the relevant entity is authorised to represent the entity at the General Meeting via electronic communication; (c) a valid e-mail address and/or facsimile number ("**Contact Address/Number**"); and (d) confirmation of whether the JCI Shareholder wishes to vote via electronic communication. By no later than 12 hours before the General Meeting, JCI shall use its reasonable endeavours to notify a JCI Shareholder at its Contact Address/Number who has delivered a valid Electronic Notice of the relevant details through which the JCI shareholder can participate via electronic communication.

Should you wish to participate in the General Meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to dial-in to the dial-in facility on the date of the General Meeting. The dial-in facility will be linked to the venue at which the General Meeting will take place on the date of, from the time of commencement of, and for the duration of, the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner (and as contemplated in section 63(2) of the Act) and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the General Meeting. The costs borne by you or your proxy in relation to the dial-in facility will be for your own account.

PROXIES

A JCI Shareholder entitled to attend and vote at the General Meeting may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a shareholder of JCI.

JCI Shareholders are referred to the attached form of proxy (*blue*) in this regard.

If you are a Certificated JCI Shareholder or a Dematerialised JCI Shareholder with own-name registration and unable to attend the General Meeting and wish to be represented thereat, you must complete and return the attached form of proxy (*blue*) in accordance with the instructions therein to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom, by no later than 14:00 on Tuesday, 5 August 2014. If you have dematerialised your shares with a CSDP or Broker, other than with own-name registration, you must arrange with them to provide you with the necessary letter of representation to attend the General Meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or Broker, in the manner and cut-off time stipulated therein.

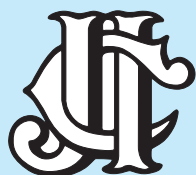
Additional forms of proxy are obtainable from JCI's company secretary and must be deposited at the Transfer Secretaries or Capita Asset Services, as the case may be, not less than 24 hours before the meeting.

By order of the board

Diane Eurelle

Company Secretary

8 July 2014



JCI HOLDINGS LIMITED

Incorporated in the Republic of South Africa
Registration number 1894/000854/06

FORM OF PROXY – GENERAL MEETING

For use by Certificated JCI Shareholders or Dematerialised JCI Shareholders with own-name registration at the General Meeting to be held at 14:00 on Wednesday, 6 August 2014 at the Balalaika Hotel, 20 Maude Street, Sandown, Sandton.

If JCI Shareholders have dematerialised their shares with a CSDP or Broker, other than with own-name registration, they must arrange with the CSDP or Broker to provide them with the necessary letter of representation to attend the General Meeting or the JCI Shareholder must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the JCI Shareholder and the CSDP or Broker, in the manner and cut-off time stipulated therein.

Please read the notes on the reverse hereof carefully, which, amongst other things, set out the rights of JCI Shareholders with regard to the appointment of proxies.

For the General Meeting

I/We

(Name/s in BLOCK LETTERS)

of

(Address in BLOCK LETTERS)

being a shareholder of JCI and holding shares in JCI, and entitled to vote, do hereby appoint (refer to note 1 at the end of this form of proxy):

- | | | |
|----|----|---------------------|
| 1. | of | or failing him/her; |
| 2. | of | or failing him/her; |

Peter Gray of JCI or failing him, the chairman of the meeting as my/our proxy(ies) to vote on a poll on my/our behalf at the General Meeting of JCI to be held at the Balalaika Hotel, 20 Maude Street, Sandown, Sandton on Wednesday, 6 August 2014 and at any postponement or adjournment thereof.

Please indicate with an "X" in the spaces below how you wish your proxy to vote in respect of the resolutions to be proposed, as contained in the notice of the abovementioned General Meeting.

*I/We desire my/our proxy to vote on the resolutions to be proposed, as follows:

	For	Against	Abstain
Ordinary resolution 1 (seeking approval for the Newco Disposal)			
Ordinary resolution 2 (seeking approval for the Newco Offer)			
Ordinary resolution 3 (seeking the approval to authorise any Director or the company secretary to do all such things and sign all such documents as are necessary to give effect to the ordinary resolutions proposed at the General Meeting)			

Signed by me/us _____ this day of _____ 2014

Signature

Assisted by me (where applicable) (see note 9 on reverse of form of proxy)

Full name/s of signatory if signing in a representative capacity (see note 8 on reverse of form of proxy)

Telephone number

Cell phone number

**If this form of proxy is returned without any indication of how the proxy should vote, the proxy will exercise his/her discretion both as to how he/she votes and as to whether or not he/she abstains from voting.*

Notes

1. A JCI Shareholder entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in his/her stead or abstain from voting. The proxy need not be a shareholder of JCI. A JCI Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different JCI Shares held by the JCI Shareholder.
2. A proxy may delegate the proxy's authority to act on behalf of the JCI Shareholder to another person, subject to any restriction set out in the instrument appointing the proxy.
3. The completion and lodging of this form of proxy will not preclude the relevant JCI Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such JCI Shareholder wish to do so. Accordingly, the appointment of a proxy in terms hereof is suspended at any time and to the extent that the JCI Shareholder chooses to act directly and in person in the exercise of any rights as a JCI Shareholder.
4. A proxy is entitled to exercise, or abstain from exercising, any voting right of the JCI Shareholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.
5. The appointment of a proxy shall remain valid until the end of the meeting contemplated in this appointment, unless revoked in the manner contemplated in 6 below.
6. A JCI Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy, and (ii) delivering a copy of the revocation instrument to the proxy and to JCI. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the JCI Shareholder as of the later of (i) the date stated in the revocation instrument, if any, or (ii) the date on which the revocation instrument was delivered to JCI.
7. Please insert the number of JCI Shares in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of JCI Shares exercisable by you, insert the number of JCI Shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairman, if the chairman is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he/she deems fit, in respect of all the JCI Shareholder's votes exercisable thereat. A JCI Shareholder or its/his/her proxy is not obliged to use all the votes exercisable by the JCI Shareholder or its/his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the JCI Shareholder or its/his/her proxy.
8. To be valid, this form of proxy must be completed and returned to JCI's Transfer Secretaries, Computershare Investor Services (Proprietary) Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom, to be received by no later than 14:00 on Tuesday, 5 August 2014 for administrative purposes or thereafter delivered by hand to the chairman of the General Meeting by 14:00 on Wednesday, 6 August 2014.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
10. In the case of a joint holding, the first-named only is required to sign.
11. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless that authority has already been recorded by JCI.
12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian as applicable, unless the relevant documents establishing capacity are produced or have been registered with the Transfer Secretaries or Capita Asset Services, as the case may be.
13. If the instrument appointing a proxy or proxies has been delivered to JCI, as long as that appointment remains in effect, any notice that is required by the Companies Act or JCI's MOI to be delivered by JCI to the JCI Shareholder must be delivered by JCI to (i) the JCI Shareholder or (ii) the proxy or proxies, if the JCI Shareholder has directed JCI in writing to do so and paid any reasonable fee charged by JCI for doing so.

Summary of the rights established in terms of section 58 of the Act:

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Act or expires earlier as contemplated in section 58(8)(d) of the Act.
3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy provide otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
 - 9.3 the company must not require that the proxy appointment be made irrevocable; and
 - 9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Act.