

Comair Limited
(Incorporated in the Republic of South Africa)
(Registration Number: 1967/006783/06)
ISIN : ZAE 000029823
Share Code: COM
("Comair" or "the Company" or "the Group")

Complaint against Comair in respect of its shareholding

Background

Shareholders are referred to the following extract from page 31 of Comair's Integrated Annual Report for the year ended 30 June 2015, distributed to shareholders on or about 30 September 2015:

"Flysafair lodged a complaint with the Air Services Licensing Council ("ASLC") against the Group's domestic air service license during the previous reporting period. The complaint consists of the allegation that the Group breached the Air Services Licensing Act by failing to apply for a license amendment after undertaking a share repurchase programme and secondly that when a "look through" construction is applied to the Group's current foreign shareholding component, the amount of this shareholding slightly exceeds the restrictions specified in the said Act. In September 2014, the Group and Safair appeared before the ASLC to make their respective submissions on the complaint. The ASLC deferred making a final decision on the complaint and requested further information on the Group's shareholding. Detailed submissions were provided by the Group to the ASLC. At the end of November 2014, without having reached a decision on the Safair complaint, the terms of appointment of the members of the ASLC expired. New members of the ASLC were only appointed by the Minister of Transport in March 2015, and in July 2015 the new members of the ASLC issued the Group with a notice requesting it to provide within a period of 120 days some further shareholding information. The Group is currently engaging with the new members of the ASLC to satisfy and resolve the matter in an amicable way."

Update

After July 2015, Comair provided further shareholding information to the ASLC and thereafter Safair advised the ASLC via a letter that it would no longer persist with its complaint.

The ASLC prescribed a period within which the Company should address the alleged non-compliance with the Act. The Company made further submissions to the ASLC on why it is complaint with the Act. The Company made submissions to the ASLC on the advice and with the assistance of its external attorneys and senior counsel ("legal advisors"). Based on the advice of its external legal advisors, the Company is confident that it is compliant with the requirements of the Act. The ASLC has advised the Company that it does not comply with the provisions of the Act and that failure to comply with the Act

will lead to a suspension of the Company's domestic license. The ASLC has granted an extension until 11 May 2016. The Company's view and that of its external legal advisors, is that the ASLC has not commenced suspension proceedings in accordance with the Act. The Company has requested the ASLC to agree that it has not commenced suspension proceedings in accordance with the Act, and has requested the ASLC to agree not to take any further action against the Company pending the outcome of a review of the ASLC's decisions. The ASLC has failed to agree to the Company's request. The Company has taken the precaution of launching an urgent application to interdict the ASLC from suspending the Company's domestic license, pending the outcome of a review by a court of law.

The Company stresses that the the disagreement with the ASLC **does not relate to the safety of the Company's operations**. The disagreement with the ASLC relates exclusively to shareholder regulatory issue.

Shareholders will be kept advised of any further developments.

Bonaero Park
10 May 2016

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