



4 June 2015

Dear Designated Advisers

PRESENTATION OF AN AltX BUSINESS PLAN

Johannesburg
Stock Exchange

One Exchange Square
Gwen Lane
Sandown, South Africa
Private Bag X991174
Sandton 2146

Tel: +27 11 520 7000
Fax: +27 11 520 8584

www.jse.co.za

In order to ensure that companies applying for a listing on AltX are able to present a comprehensive business plan to the AltX Advisory Committee (“**the Committee**”), we have prepared this guidance letter. This process has become necessary as to standardise and improve the business plan presentations to ensure a fair and equitable process based on the information presented.

Set out below is the process to be followed prior to being granted an opportunity to present to the Committee.

In terms of paragraph 21.37 of the JSE Listings Requirements (the “**Requirements**”) the directors of the issuer, as well as the Designated Advisor (“**DA**”), must present, in person, a detailed business plan (including but not limited to historic and forecast financial information) to the Committee prior to being granted a listing. The Committee shall then advise the JSE as to the eligibility of the issuer. The JSE shall consider the advice of the Committee and exercise its discretion whether or not to grant the issuer a listing.

The JSE will only allow a first submission in respect of an AltX listing if the Committee has confirmed the eligibility of the applicant issuer in writing.

Various issues have recently arisen in respect of the presentation of the business plan and the JSE has therefore decided to issue a guidance letter in this regard.

The aim of this guidance letter is to prescribe the minimum content and process for a business plan to be submitted and presented to ensure that the Committee has all the relevant information to make an informed decision which in turn will avoid delays in the approval process.

It’s important to note that the Issuer Regulation Division (the “**Division**”) will assume full responsibility for this process with immediate effect. Members of the Capital Markets Division will still attend Committee meetings but will no longer be responsible for this process.

Business Plan: Minimum Content

1 General Overview of the Issuer

The aim of the general overview is to provide general introductory information in respect of the issuer to the Committee, which must as a minimum address the following:

- Full name and registration number of the issuer and major subsidiaries;
- Place and date of incorporation of the issuer and major subsidiaries;
- Details of the DA;
- Full names, addresses and CV's of the board of directors of the issuer and major subsidiaries, including dates of appointment;
- Details of the business of the issuer, including a diagram of the group structure;
- Details of the primary exchange (if applicable);
- Full details of any capital that will be raised and in which jurisdictions; and
- Full details of any acquisitions and disposals in the last 12 months and in which jurisdiction.

2 Industry

The aim of the industry disclosures is to focus on the industry in which the issuer intends to operate as a listed company, which must as a minimum address the following:

- General overview of the industry with reference to current market conditions;
- Basic entry criteria to enter the industry (required licenses or other);
- Experience of directors and senior management of the issuer with specific reference to the industry; and
- Customer profile.

3 Strategy of the Issuer

The aim of the strategy disclosures is to explain the competitiveness of the issuer in the industry, which must as a minimum address the following.

- Reason for listing on AltX;
- If the issuer qualifies for a main board listing this fact must be disclosed and a motivation provided for pursuing a listing on AltX;
- The vision and mission of the issuer;
- Feasibility of current business approach, including a SWOT analysis (strength, weaknesses, opportunities and threats);

- BEE status and developments; and
- Marketing plan, including details of feasibility studies and research undertaken.

4 Financial Position and Performance

The aim of the financial disclosures is to provide details of the financial status of the issuer, which must as a minimum address the following:

- The issuer's audited historical financial statements in accordance with IFRS for the preceding three years (or a lesser period since incorporation), including a summarised overview of the financial highlights for each year;
- The medium and long term forecasts with clearly documented assumptions. The manner in which the assumptions tie in with the issuer's strategy must be addressed;
- A pro forma balance sheet, taking into account any capital raising and/or acquisitions/disposals, with clearly documented assumptions showing the status of the issuer as at the anticipated date of listing; and
- Details of current and near future funding requirements of the issuer.

5 Regulatory Environment

The aim of the regulatory disclosure is to confirm and illustrate compliance with the basic listing entry criteria, which must as a minimum address the following:

- Method of listing;
- Compliance with paragraph 21.3 of the Requirements;
- Mineral and property companies must illustrate compliance with paragraphs 12.5 -12.7 and 13.3 respectively;
- Details of the legal and policy frameworks of the issuer in order to comply with industry and regulatory obligations of the issuer; and
- Any matter that the DA and/or the directors of the issuer, feel should be brought to the attention of the JSE which may have a regulatory or business impact on the issuer

6 AltX Business Plan Process

- The submission must be made by the DA using the "Webstir" system of the Division;
- The Webstir submission must be made to the Division before 10h00 and the event type of "Business Plan" must be selected;

- This Webstir submission will then be allocated to a Corporate Finance Officer (“**the CFO**”) who will conduct a review of the business plan to ascertain whether it contains the required disclosures pursuant to the provisions of this guidance letter;
- The CFO will provide feedback to the DA within 72 hours of the Webstir submission. The feedback will either be (i) confirmation that the business plan contains the required disclosures or (ii) comments on the business plan that must be addressed by the issuer and DA;
- In the event of comments on the business plan, the review process will continue in the ordinary course for submissions to Corporate Finance (with 48 hours turnaround) until the CFO confirms that the business plan contains the required disclosures;
- Only once the above confirmation has been provided by the CFO will the DA be permitted to make the formal submission of the business plan for consideration by the Committee. No dates for presentation to the Committee can be reserved before such confirmation has been granted.
- The submission of the business plan to the Committee must be made in the usual manner through Webstir by 10h00;
- The Division will convene a Committee meeting at the JSE as soon as is convenient for all parties. The DA will be notified of the time, date and location of the Committee meeting and the presence of both the DA and the directors of the issuer will be required; and
- The DA will be notified in writing within 48 hours from the conclusion of the Committee meeting regarding the outcome.
- It should be noted that if the Committee advises the JSE on the eligibility of the issuer, with conditions, such conditions must be met before listing documentation can be submitted to Corporate Finance. If the conditions have not been met or the DA/issuer advises the JSE on an alternative approach, the issuer will be required to present to the Committee afresh.
- In the event that the Committee advises the JSE that the issuer is eligible for listing on AltX, the approval letter from the Committee will be based on the information as presented to the Committee. If there are any changes to the business plan and the information in the listing documents as submitted to Corporate Finance, this fact/s must be disclosed by the DA to Corporate Finance.