

16 November 2018

To: **4AX Registry Account Holders**

Per electronic mail

IMPORTANT ANNOUNCEMENT: SIGNIFICANT CHANGES TO THE 4AX OPERATING MODEL EFFECTIVE 19 NOVEMBER 2018

4AX has been created to meet the needs of a specific target market of small to medium sized companies that would appeal to investors who appreciate that this is the future of South Africa and the African continent. In order to provide world class products and services the exchange was built on the following foundation:

- Clear and transparent listing requirements
- Unique exchange infrastructure
- Removal of barriers to investing
- Modern technology

4AX has been successfully operational for one year and are continually reviewing best practice in terms of stock exchange operations and subscribe to the philosophy of continuous improvement.

4AX Extended Trading hours

It is in this vain that 4AX are extending the hours that the exchange is open and available for trading. The extended hours allow investors and shareholders to trade in a longer window which should increase the liquidity and visibility of the companies listed on 4AX. Shareholders are not required to make any changes and the modus operandi to trade remains the same.

The trading hours are now 09h00 – 16h00 from the original 10h00 – 15h00.

Move to ‘Same-day Trade Settlement Cycle

4AX initially adopted a 3-day settlement cycle with a pre-validated and pre-funded operating model. **4AX will be moving to a shortened settlement cycle of T+0.**

The benefits of moving to T+0 settlement cycle include:

- Further mitigation of settlement risk
- Investors will have access to funds after selling their securities at the end of the trade day rather than three days later
 - This will free up funds to take advantage of opportunities on 4AX in a timeous manner

4 Africa Exchange Proprietary Limited (Registration Number: 2013/031754/07)

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- Institutional investors will not be required to commit funds for longer than a day to facilitate trade in companies listed on 4AX.

The Financial Sector Authority has provided its approval of the change to a T+0 settlement cycle. 4AX has engaged with all the market participants and stakeholders on these changes which were positively received.

Please direct any queries in this regard to: 4axoperations@4AX.co.za

Regards

Anthony van Eden
(Chief Operating Officer)