

THE INVESTMENT DECISION PROCESS AT THE SIC

1. Company Develops Business Plan and Executive Summary

The company can succinctly convey their company's vision in a well-written business plan. The executive summary should be a condensed form of the business plan comprising 1 - 2 pages total.

The SIC strongly recommends that you include the following information in your business plan and executive summary in order to convey the merits of your business as well as to help us better understand your investment opportunity:

A. The Company

- § Company's business and profile
 - § Mission statement
 - § Past accomplishments
 - § Provide company's annual reports for past 3 years (if available)
 - § Description of proposed project: setting up of operations in Mauritius
- } History and position to date

B. The Team

- § Description of key team members
 - § Roles and responsibilities
 - § Previous accomplishments
 - § No. of years of experience in this field
 - § A credential from a recognized bank on the promoters
 - § Organizational structure for the company being set up in Mauritius
- } Background on promoters

C. Market & Industry Analysis

- § Market: past, present & future
 - Review those changes in market shifts, costs, pricing or competition that provide the opportunity for your company's success
- § Market size and trends
- § Customers (identification and needs) and competition
- § Data sources

D. Business Concept

- § Summarize key technology, concept or strategy on which your business is based
- § Problems and opportunities
 - State consumer problems, and define nature of product/service opportunities created by those problems
- § Product offering

- E. Competitive Analysis
 - § Defining competition and key competitors
 - § Outlining your company's competitive advantage(s) and its key drivers
 - § Barriers to entry in this industry
 - § How will your company sustain its competitive advantage(s)

- F. Goals and Objectives
 - § Five-year /Ten-year Goals
 - State specific measurable objectives and specific steps taken to achieve them
 - State market share objectives and specific steps taken to achieve them
 - State revenue/profitability objectives
 - § How long you plan to operate in Mauritius?
 - § State if you have any succession plans in place to ensure continuity.

- G. Marketing Plan
 - § Segmenting, Targeting, Positioning
 - § Products and/or services
 - § Price (pricing policy)
 - § Promotion
 - § Place (distribution channels)
 - § Customer acquisition and retention strategy
 - § Show % of sales to key customers (if possible)
 - § Partnerships (if any), e.g. collaborative supply arrangements for your customers

- H. Operations Plan
 - § Everyday processes (short-term processes)
 - § Business milestones (long-term processes)
 - § State how you intend to structure operations, i.e. possibility of having a management contract by another company to manage the unit being set up
 - § State any other agreements that you intend to draw up e.g. technical, know-how transfer, supply, sales, management agreements etc. (if applicable)

- I. Financial Plan
 - § Detailed sources and uses of funds
 - § Detailed pro-forma financial statements (P&L, balance sheet, cash flow) – historic and forecasted
 - § DCF appraisals (using NPV analysis – especially for projects)

- § Clearly state all validating assumptions upon which projections are based
 - § Projected head count by functional area (G & A, operations, sales & marketing etc.)
 - § Capitalization schedule
 - § Shareholding structure and indication of dividend policy (very important for institutional shareholders such as the SIC)
 - § State full terms and conditions on which any debt is being contracted
 - § State financial risk minimizing strategies employed, if any (e.g. in the case of foreign currency loan servicing)
- J. Resource Requirements
- § Technology requirements
 - § Personnel requirements
 - § Infrastructure requirements (premises, etc.)
 - § External requirements (e.g. government assistance etc)
- K. Risks and rewards
- § Risks
 - Summarize risks of the proposed project
 - § Addressing risk
 - Summarize how risks will be addressed
 - § Rewards
 - Estimate expected pay-off, particularly if seeking funding
- L. Key Issues
- § Near team
 - Isolate key decisions and issues that need immediate or near-term resolution (e.g. relevant permits and certificates, development schedule and launch date etc.)
 - § Long term
 - Isolate issues needing long-term resolution
 - Exit strategy (if any), e.g. stock market flotation
 - State consequences of decision postponement
 - § Other issues: e.g. Board composition
 - State proposed composition of board

2. Company Prepares other Documents

- Memorandum & Articles of Association of the company
- Relevant permits / authorizations from appropriate authorities (e.g. EIA permit, business licence, lease agreements etc.)
- Agreement drawn between stakeholders (if applicable)
- Letter of Intent / Letter of comfort (if applicable)
- Any other supporting documents

3. Business Plan, Executive Summary and Other Documents Submitted to the SIC

We prefer that you submit your company's business plan and accompanying 1 - 2 page executive summary to us as Microsoft Word/Excel email attachments. There is no need to send two documents if the executive summary is included in the business plan.

4. The SIC Reviews Executive Summary, Business Plan and Other Documents

After receiving your company's executive summary, business plan and other documents, the SIC will evaluate the investment opportunity. A sample of the criteria used for this task is as follows:

- Market Opportunity - Is the company pursuing a market opportunity that will allow a sizable mature company?
- Management Team - Does the company have the right management team to execute on its vision?
- Differentiation - Does the company have a differentiated and defensible product offering?
- Time to Market - Will the company have a first-mover advantage, or will the company reach the market within an acceptable window of opportunity?

5. The SIC Conducts Conversations and/or Meetings with Management Team

If the SIC determines that there is an appropriate fit between our investment objectives and your company's investment opportunity, officers of SIC will arrange a meeting. The purpose of this meeting will be to better understand your

company's market opportunity, management team, and product differentiation. We want to learn about the people behind the idea; we seek people who can execute on these ideas to build businesses.

6. Due Diligence

Once both parties have agreed that there is mutual interest in pursuing an investment, the SIC will begin active due diligence of your company's management team, industry, technology, customers, partners and competitors.

7. Investment Decision

Upon the completion of due diligence, the SIC will present the project for the consideration of the Investment Committee and Board of Directors. If the partnership reaches a positive consensus, the SIC will work with the entrepreneur(s) to consummate the investment in the company soon thereafter.

8. Shareholders' Agreement

Following the approval by the Investment Committee and Board of Directors, the SIC will disburse funds only after a Shareholders' Agreement is signed by the shareholders.