

SPSE CENTRAL SHAREREGISTRY (CSR)

Business Plan

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SPSE CENTRAL SHARE REGISTRY (CSR)

Business Plan

1.0 Initial Entry of a Company Register

- 1.1 Agreement between the Client Company and CSR to be signed
- 1.2 Entry Fees to be paid
- 1.3 Services offered by CSR and reports needed by the company to be agreed on.
- 1.4 No liability is taken by CSR for records prior to registration with SPSE and CSR.
- 1.5 Check if the shareholders are existing shareholders in the system or not.
- 1.6 If not enter the shareholders names in order to allocate them with shareholder Identification Numbers (SIN).
- 1.7 Enter Addresses of all the shareholders and the number of shares they hold.
- 1.8 Check the number of Residents and Non-Residents shareholders the client company has.
- 1.9 Verify and activate the register
- 1.10 Print hard copies for the file.

2.0 Processing Applications for the Initial Public Offering (IPO)

- 2.1 Receipt of Application Forms and cheques
- 2.2 Validate the applications
- 2.3 Banking of the cheques
- 2.4 Reconciliation of the monies received and banked against the shares applied for
- 2.5 Reporting of these figures to the issuer
- 2.6 At the close of the offer, provision of final figures of money received and shares allocated

- 2.7 In the event of over-subscription, agreement with the issuer on a formula for “scaling down” of the applications.
- 2.8 Allocation of the shares to valid applicants
- 2.9 Production of share certificates
- 2.10 Printing the share certificates which will be electronically signed and stamped with common seal and sent to SPSE, brokers or shareholders.
- 2.11 In the event of over-subscription, the production of refund cheques for those holders whose application has been scaled down.
- 2.12 Signing and enveloping of these cheques and dispatch to the holders whose application was scaled down.
- 2.13 Provision to issue a copy of the Share Register, prior to the commencement of trading in the shares.

3.0 Enquires

- 3.1 The method of processing the more common share registry transaction is described below:

- a) **General Enquiries:**

Written or by telephone enquiries will be attended to promptly and professionally by experienced registry staff after checking of identities.

Shareholders questions and requests are dealt with promptness and efficiency.

- b) **Share Transfers:**

Share Transfers may result from a stock exchange trade or from an “off-market” (Private Transfer) transaction.

All the above transfers will have to go through SPSE before it actually comes to CSR for processing.

4.0 Trade Transaction

- 4.1 Settlement between Buyer Representative and Seller Representative on T+3 working days after the trade with the SPSE Clearance and Settlement Officer at 12.00pm-12.30pm.

- 4.2 One or more share certificates, representing the number of shares being sold, must be attached to the Transfer form after SPSE stamp duty is done. These need to be forwarded to CSR the following day (before mid – day).
- 4.3 Once CSR receives the above documents, CSR checks that the seller has attached valid share certificate(s) sufficient to cover the shares being sold. Also checks if the buyer is an existing shareholder or not. The shares will then be transferred to the buyer, by entering the relevant details into the system.
- 4.4 A share certificate will then be generated by the system for the buyer.
- 4.5 A new share certificate may also be generated for the seller if the shareholder is not selling all the shares represented by the certificate(s) attached to the transfer form (i.e. partial sale).
- 4.6 Unless the seller representative gives CSR instruction to **Hold** the share certificate (due to more sales from the same script) the Registry will print the balance certificate and forward it to SPSE.

5.0 Signing and Sealing of Share Certificates

- 5.1 Once the system is updated, the share certificates that are electronically signed and sealed will be dispatched to SPSE (within a day).
- 5.2 The registry will forward the company a trade summary once a month advising them of all transfers that took place during the month.

6.0 Amendments to Shareholders Details

- 6.1 Shareholders are encouraged to correspond with the registry whenever possible in writing, as this allows verification and reduces the liability of CSR.
- 6.2 Notice by shareholders to change their address, name, bank account details with proper ID's will be attended to accordingly and promptly. These instructions have to be notified to CSR in writing or by filling in the '*Application Form for the Direct Deposit of Shareholder's Dividend/Interest into a Bank Account*'.
- 6.3 An acknowledgement of changes to this data is not provided, unless the shareholder asks for it.
- 6.4 The data will however be updated before 9.30am the following business day upon receipt of notice of any changes.
- 6.5 The register is kept up to date and accurate at all times.
- 6.6 Changes to Registration Name:

- a) This refers to changes resulting from marriage, deed poll and divorce etc.
- b) The authorization of the above involves the noting of documentation or a signed letter from the shareholder. This document must include a statutory declaration and shall contain the following statement:
“We confirm the signature(s) on the attached letter is/are that/those of the Shareholder(s) specified above”.
- c) Appropriate Documentations:
 - i) Change of name by virtue of marriage/divorce. A copy of a certificate of marriage should be provided which indicates the maiden name of the holder and the married name of the holder.
 - ii) Deed Poll / Statutory Declaration.
 - iii) Change of Company name - A copy of a Certificate from the Registrar of Companies for change in company name should be provided.
 - iv) Additional Identification may be requested by CSR for further evidence

7.0 Common Shareholder Identification

- 7.1 CSR allocates each Shareholder with a unique SIN. The Registry will use the SIN for securities held by a particular investor / shareholder.
- 7.2 The SIN can be used when dealing with any SPSE Member Firms. If you are a new shareholder and do not hold a SIN you must submit relevant details to your member firm so that your member firm can lodge it with SPSE during settlement in order for CSR to create a new account.

8.0 Dividend/Interest Distribution

- 8.1 Client Company announces distribution to SPSE and CSR
- 8.2 SPSE releases the market announcement to the public including the registry.
- 8.3 The announcement should contain the close of book date, amount of dividend/interest declared and also the ex-benefit date according to Appendix F of the SPSE Listing Rules.
- 8.4 The Registry will freeze transfers on all transactions from the on Ex-Benefit date to ascertain the list of shareholders entitled for the distribution.

- 8.5 The dividend/interest is calculated and reconciled.
- 8.6 A cheque for the amount invoiced should be deposited into the CSR Dividend account for distribution before or on the due date specified by the registry.
- 8.7 For Non-residents, the client company will forward a report on the qualifying dividends to CSR for tax clearance purposes as well as Exchange Control approval.
- 8.8 After the required clearance and approval, the registry will distribute using the following mode of payments upon written request from the shareholders.
- a. Bank Draft
 - b. Telegraphic Transfer
 - c. Direct Deposit
 - d. Dividend Reinvestment
 - e. Cheques in local currency (special arrangement with Banks)
- 8.9 Any Bank drafts returned will be re-deposited into the trust account. This can be claimed by the shareholder later upon a written request with proper identification.
- 8.10 For all returned cheques (in the case of stale or lost cheques) the registry will charge a reissue fee to the holder and request proper identification to certify that he/she is the rightful holder.

9.0 Security Structures

- 9.1 The CSR system is created in such a way that only authorized personnel can enter or amend the data.
- 9.2 Access to the system - only authorized users are allowed with passwords.

The Table below lists some potential threats and corresponding specific remedies:

Potential Threats	Possible Remedy
Loss of Power & Computer Software System Problems	Regular Backups
Loss of Key Personnel	Operational Documentation / Training Manual in place / Two key staff
Loss of Access to Offices	Backup site/Arrangement with other party Regular backups will be stored (Off site)
Loss of Security Hardware	Adequate Maintenance Agreement and Password Protected