

## **SECTION 10**

### **ENTITLEMENTS**

#### **10.1 Entitlements to Client Accounts**

- a) The Company Secretary of the Listed Entity shall process entitlements of CDS Account Holders based on information provided by the CDS, subject to Rule 10.6 below.
- b) An Account Holder's entitlement to a corporate action such as payment of a dividend, allotment of shares credited as fully paid up by way of capitalization of reserves or allotment of Rights or any other distribution shall be determined on the basis of the amount of Securities held in his/her Client Account as at the date of entitlement.
- c) In the event of a default by the Buyer/Buyers in respect of a trade carried out on the ATS of the CSE using the AON Block facility, the Listed Entity shall process the corporate entitlements accruing to the Buyer's/Buyers' Account/s in the CDS pursuant to such AON trade, as advised by the CDS.

#### **10.2 Dividends**

- a) In the event of a Listed Entity declaring a dividend, the CDS shall furnish the Company Secretary of the Listed Entity a list of Account Holders with their respective holdings with regard to that Security as at the date of entitlement.
- b) In the event of a cash dividend, the Listed Entity shall dispatch the dividend payments directly to the respective Account Holders.
- c) In the event of a scrip dividend, the allotted shares shall be deposited directly to the respective Client Accounts, as per the information provided by the Company Secretary to the CDS.

#### **10.3 Issue of shares credited as fully paid up by way of capitalization of reserves**

In the event of a Listed Entity issuing shares credited as fully paid up by way of capitalization of reserves, the CDS shall furnish the Company Secretary of the Listed Entity a list of Account Holders with their respective holdings with regard to that Security as at the date of entitlement/allotment.

The allotted shares shall be deposited directly to the respective Client accounts as per the information provided by the Company Secretary to the CDS.

#### **10.4 Rights issues**

- a) In the event of a Listed Entity issuing Rights, the CDS shall furnish the Company Secretary of the Listed Entity a list of Account Holders with their respective holdings with regard to that Security as at the date of entitlement.
- b) The Listed Entity shall post the Provisional Letters of Allotment directly to the respective Account Holders as per information provided by CDS, subject to Rule 10.6 below.
- c) An Account Holder may renounce his Provisional allotment of Rights arising from the Rights issue to the CDS through the Participant. For this purpose the duly perfected Provisional Letter of Allotment shall be deposited in the respective Client Account by the Account Holder through his Participant. The Account Holder may trade on such Rights through the Participant. Such deposits and trading in Rights shall be allowed during the period of renunciation of the Rights issue.
- d) The CDS shall submit to the Participants a list of Account Holders who hold Rights in the CDS through such Participant with their respective holdings in Rights as at the last date of renunciation. The Participants shall submit the payments in respect of the Rights shares subscribed for by the Account Holders to CDS by 10.30 hours on the last date of Acceptance of Rights. Such payments shall be duly forwarded by the CDS to the relevant Listed Entity. Details of any Rights not subscribed by Account Holders shall be notified by the respective Participants to the CDS by 10.30 hours on the last date of Acceptance of Rights. Such Rights not subscribed by Account Holders will be duly withdrawn by the CDS
- e) Any Rights duly subscribed by the Account Holders in the CDS, shall be converted to shares as per the instructions given by the Company Secretary of the Listed Entity upon the listing of such shares on the CSE pursuant to the Rights issue.

#### **10.5** In the event Rights or dividends accrue to an Account Holder between the trade day and the settlement date and such Account Holder defaults payment on the Securities purchased, the Participant shall be entitled to the following:

- a) Prior to the date of dispatching the letter of provisional allotment, which shall not exceed five (5) Market Days from and excluding the date of provisional allotment (in the event of a Rights issue) or the date of payment (in the event of a dividend), request the CDS, in writing, to transfer such entitlement in favour of the Participant.
- b) On receipt of such request the CDS shall inform the relevant Listed Entity to issue the entitlement (Rights or dividend) in favour of the Participant.

- 10.6** The Company Secretary of the Listed Entity may, at his/her/its discretion and at his/her/its own risk, deviate from the information given by the CDS pertaining to the address or the dividend Payment instructions of an Account Holder who is entitled to a corporate benefit, if sufficient proof is produced by the Account Holder to the satisfaction of the Company Secretary of the Listed Entity, giving reasons for such deviation from the instructions/information given by the CDS.