

SPSE CENTRAL SHAREREGISTRY

Business Plan

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SPSE CENTRAL SHARE REGISTRY

Business Plan

1.0 Initial Entry of a Company Register

- 1.1 Agreement between the Client Company and the SPSE Central ShareRegistry to be signed
- 1.2 Fees to be paid
- 1.3 Services offered by CSR and also reports needed by the company to be agreed on.
- 1.4 No liability is taken by CSR for records prior to registration with the SPSE CSR.
- 1.5 Check if the shareholders are existing shareholders in our system or not.
- 1.6 If not enter the shareholders names in order to allocate them with shareholder Ids.
- 1.7 Inform the new shareholders their shareholder Ids and also a CSR form for the Shareholder to fill and send back to the Register to update his/her details.
- 1.8 Enter Addresses of all the shareholders and also the amount of shares they hold.
- 1.9 Check how many Residents and Non-Residents shareholders the client company has.
- 1.10 Reconcile if the authorised share capital matches.
- 1.11 Do 10 transactions for testing before fully operation.
- 1.12 Verify and activate the register
- 1.13 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 and dispatching (2 options) if electronically sign and stamp with common seal straight to the shareholders if not then to the issuers for signing and sealing.
- 2.11 In the event of over-subscription, the production of refund cheques for

- those holders whose application was scaled down.
- 2.12 Signing and enveloping of these cheques and dispatch to the holders whose application was scaled down.
- 2.13 Provision to issuer a copy of the Share Register, on paper or electronically, 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 replied to promptly and professionally by experienced registry staff after checking of identities.

Shareholders questions and requests are dealt with sympathetically and efficiently.

b) Share Transfers:

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

All the above transfers will have to go through the South Pacific Stock Exchange before it actually comes to the SPSE Central ShareRegistry for processing.

4.0 Trade Transaction

- 4.1 Settlement between Buyer Representative and Seller Representative on T+5 working days after the trade with the SPSE Clearance and Settlement Officer at 3pm-3.30pm.
- 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 the Central ShareRegistry by the next day (before mid – day).
- 4.3 Once CSR receives of the above documents, CSR checks that the seller has attached valid share certificate/s sufficient to cover the shares being sold. Also check 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 he / she is not selling all the shares represented by the certificate/s attached to the transfer form (i.e. partial sell).
- 4.6 Unless the seller representative gives the Central ShareRegistry 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 Options For Signing and Sealing of Share Certificates

- 5.1 **Option 1** - Once the system is updated, the system can print share certificates and send to issuers for signing and sealing. CSR will allow 3 days for the certificate to be returned after sealing and signing.
- 5.2 **Option 2** – Once the system is updated, the share certificates that are electronically signed and sealed will be dispatched to the SPSE (within 1 day).
- 5.3 The registry will forward the company a trade summary once a month depending advising them of all transfers that took place during the month.
- 5.4 when a company chooses to use the electronically signed and sealed certificate, the turnaround time for the certificates will be reduced from current 12 days to 6 days.

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 the registry.
- 6.2 Notice by shareholders to change their address, name, bank account will be with proper ID's. These instructions have to be notified to CSR in writing.
- 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 within 48 hours of receipt of notice of any changes.
- 6.5 The register is kept up to date and accurate all the time.

6.6 Changes to Registration Name:

- a) This refers to changes resulting from new addresses, Marriage, deed poll and divorce etc.
- b) The authorization of the above involves the noting of documentation or a signed letter from the shareholder. The documentation must include a certified copy of the appropriate document supporting the change in name. A 'Change of Registration Name form' must also be attached 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".

6.7 Appropriate Documentations:

- a) 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.
- b) Deed Poll / Statutory Declaration.
- c) A copy of the notice lodged with the Registry of Births, Deaths and Marriages in relation to the change of name
- d) Change of Company name - A copy of a Certificate_of Incorporation of Change of Name should be provided.
- e) Change of Designation - A change in the designation is be taken on its own merits.

7.0 Common Shareholder Identification

7.1 The Central ShareRegistry allocates each Shareholder a unique ID number. The Registry will use this number for securities held by a particular investor / shareholder.

7.2 This shareholder ID can be used when dealing with any SPSE Member Firms. If you are a new shareholder and does not hold a shareholder Id you must fill the details on SPSE Central ShareRegistry form and the buy order from your member firm so that your member firm can lodge it with SPSE during settlement.

7.3 The SPSE Central ShareRegistry Form will be submitted to the Registry by SPSE with other necessary documents.

8.0 Single or Joint Holdings

(In the case of joint, both parties to provide the details)

- 8.1 Full legal name
- 8.2 At least two forms of Identification 1
- 8.3 IRD Number, Driver's Licence Number, Passport Number, Bank Account Number or Date of Birth
- 8.4 Shareholder Number

9.0 Company

- 9.1 Full registered name
- 9.2 Date of Incorporation
- 9.3 Company registration number (and country of issue)
- 9.4 IRD Number
- 9.5 Bank Account Number
- 9.6 Shareholder Number

There are two reasons for collecting the above information.

- (i) To clearly establish the identity of the client
- (ii) To protect against issuing multiple Shareholder Ids for the same holder, as the ID details will be used to enable detection of duplicate records.
- (iii) The SPSE Central ShareRegistry captures the above information for the sole purpose of detecting duplicate records. The information is held securely and is not accessible to any other party.

10.0 Dividend Distribution

10.1 Client Company announces dividend to the South Pacific Stock Exchange and the Central ShareRegistry

10.2 SPSE makes market announcement (to media, CMDA, Brokers & Registry).

10.3 Announcement should contain the close of books date, amount of dividend declared and also the ex-benefit date.

10.4 The Registry will freeze data on Ex-Benefit date and allow amendments *(it can still do the transfer of shares even if the new buyers are not entitle to the dividend as instructed by SPSE).*

10.5 Take the freezed data and reconcile

- 10.6 After reconciliation of authorized capital, the dividend is calculated and again reconciled.
- 10.7 A dividend report will be submitted to the company with an invoice
- 10.8 A cheque and the amount invoiced should be deposited into the SPSE Central ShareRegistry Dividend account for distribution.
- 10.9 Once the fees and the amount for distribution is received, the registry starts separating it into 2 reports - one for Residents and the other Non-Residents.
- 10.1 For Resident holders the Registry will check the payment mode and do exactly how the shareholder wants.
- 10.2 If by cheque print cheques with advice slips and sent to shareholder
- 10.3 If by direct deposit, the registry will deposit on the account number and account name given by the shareholder.
- 10.3 For Registered Mail, Bank draft and Telegraphic Transfers, a charge will be levied to the shareholder.
- 10.4 Direct Deposit, Cheque by normal mail is free of charge to the shareholder.
- 10.5 For Non-residents a report of the tax-exemption rate is calculated (these calculations will be performed by the client company and CSR will be advised) and reports are printed.
- 10.6 This report of Non-Residents dividend payout will have to be cleared by Inland Revenue Department and then by Reserve Bank of Fiji.
- 10.7 After the RBF clearance the registry distributes using the following the mode of payment as requested the shareholders.
- a. Bank Draft
 - b. Telegraphic Transfer
 - c. Direct Deposit
 - d. Dividend Reinvestment
 - e. Cheques in local currency (special arrangement with Banks)
- 10.8 Any Bank drafts returned will be banked back to the trust account. This is done so that when the shareholder later requests for his/she can be paid with proper identification.

10.9 All returned cheques - in the case of stale or lost cheques the registry will charge a fee of \$5 to the holder with proper ids to certify that he is the rightful holder.

11.0 Security Structures

11.1 SPSE Central ShareRegistry system is created in such a way that only the Authorized person can enter the data. All amendments and transfers to be done by another high-level security person. At this time the CEO will be authorizing all amendments to the registry.

11.2 All reports when created should have the persons initial on the transaction so that the management can trace back all transactions and officers.

11.3 Accessing 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	Hard copies of printed reports on monthly basis.
Computer Software System Problems	Frequent Backups and Software Version Control
Loss of Key Personnel	Operational Documentation / Training Manual in place
Loss of Access to Offices	Backup site/Arrangement with other party Regular backups will be stored in CMDA office (Off site backup)
Loss of Security Hardware	Adequate Maintenance Agreement All will be kept under lock and key