

***Message from Team SPSE:***

- Do you understand the importance of savings and investment? *Yes*✓
- Have you been following our articles or already know about investing in Fiji's stock market and the returns it offers? *Yes* ✓
- You've purchased shares in one or more of the companies listed on the South Pacific Stock Exchange? *Yes*✓
- Are you now relaxed and sitting back to watch your investment grow your money? *No*✗

Yes, the answer to the last question should be a very strong '**NO!**' Owing shares is not all there is to your investment journey. In fact that's just the beginning. When you become a shareholder and part owner of an SPSE listed company, you have important RIGHTS which you should exercise to ensure that the company in which you have invested your hard earned money continues to be appropriately managed adding more value to your initial investment over time.

In this article, we aim to highlight some fundamental Shareholder Rights which should be of value to you as an investor in SPSE listed companies! Applying this information is important to your being able to effectively monitor and manage your investments. ***Your rights relating to Annual General Meetings (AGM) is very important so we will cover this in detail in the next article.***

Talk to us if you wish to know more!

**Right to Receive Declared Dividends**

- ✓ It is your basic right as a shareholder of the listed company to receive any dividends declared by the board of directors.
- ✓ If dividends are declared, the company is required under the SPSE Listing Rules to make an immediate announcement to the market so that shareholders are aware of the dividend declaration. Once declared, the company is required to pay the declared dividends to all shareholders within 21 days.

**REMEMBER** – dividends paid by listed companies to resident and non-resident shareholders are exempt from dividend withholding tax.

***How does one calculate dividends due to them?***

The amount of dividends paid to you is calculated by multiplying the number of shares you own in the listed company by the dividend per share that the company you have invested in declares.

E.g. Dividends declared by Company A: \$0.05 per share and you own 500 shares in company A. Then the total dividend due to you is \$25.00 ( $\$0.05 \times 500$ ).

***Important Note about Dividends***

The right to declare dividends remains with the company, hence, you should understand that it is not mandatory for the listed company to declare and pay out dividends to shareholders at regular intervals. Declaration of dividends is a business decision made by the board of directors of the listed company having duly considered the financial position of the company.

## Right to Transfer Ownership

- ✓ As a shareholder of a listed company, you have the right to transfer the ownership of your shares to another party. This can be done in two ways: on-market or off-market transaction.

**REMEMBER** - any capital gains made from the trading of shares in companies listed on SPSE is exempt from capital gains tax!

**Through an on-market transaction** – This method applies if you are intending to transfer the ownership of your shares by **selling** your shares to another party. You have the right to sell your shares through a licensed stockbroker to a party that is willing to buy your shares. You should therefore understand that the execution of your transaction may take some time if the broker is looking for a party to buy your shares.

**Through an off-market transaction** – This method applies if you are intending to **gift** your shares to a close relation. The method also applies in the case of a **deceased** listed company shareholder where the trustee/administrator may transfer the deceased shareholder's shares to his/her beneficiary.

## Right to Vote on Major Issues

Listed companies are required by the Companies Act, 2015 and the SPSE Listing Rules to seek shareholder approval for transactions that will significantly affect the company. For listed companies, these matters include the following:

- Any major corporate action taken by the company such as merger, acquisition or takeover;
  - Any transaction undertaken with a related party;
  - Any issuance of additional securities by the company;
  - Any liquidation or winding up procedures;
  - Any issue relating to delisting of the listed company.
- ✓ As a shareholder, you have the right to vote on the matters above and
    - Receive from the listed company all relevant information relating to any proposed resolution it wishes to seek shareholder approval on;
    - Request for more information or raise questions on the proposed resolution in order to make an informed decision on the matter requiring shareholders' approval.

### Right to Receive Certain Documents

- ✓ As a shareholder of a listed company, you have the right to receive the following documents from a listed company (a and b below are made available by companies via the SPSE website):
  - a) The company's latest Audited Financial Statements or Annual Report once every year;
  - b) Notice of any general meetings of the listed company and all the documents relating to that meeting;
  - c) Any information that is sent to other shareholders.

The company is obliged to send the above information to you through the mode of delivery indicated by you to the company e.g. post, hand delivery, office pick-up etc.

### Right to Inspect Certain Documents

- ✓ As a shareholder of a listed company you have the right to inspect any information that has been filed by the listed company with the Registrar of Companies office and the right to request the company for the listed company's share register.

Apart from the information provided in this column, SPSE has a number of user-friendly brochures, YouTube videos and publications that can be accessed via the following to provide you with information:

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