

SECTION 7

ENTITLEMENTS

7.1 General Provisions relating to Entitlements

- (a) Subject to Rule 7.1 (c), Listed Entities shall process entitlements relating to corporate actions applicable to Account Holders based on information obtained from the CDS on the relevant date.
- (b) An Account Holder's entitlement to a corporate action, such as the 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 Cleared Balance held in the Client Account of the Account Holder as at the Record Date.
- (c) Listed Entities may, at their discretion and at their own risk, deviate from the information given by the CDS pertaining to the address or the dividend payment instructions given by an Account Holder who is entitled to a corporate benefit, if sufficient proof is produced by the Account Holder to the satisfaction of the Listed Entity with reasons for such deviation from the instructions/information given by the CDS.

7.2 Dividends

- (i) When a Listed Entity declares a dividend the CDS shall furnish it with a list of Account Holders with their respective holdings of that Security as at the Record Date.
- (ii) Listed Entities shall dispatch cash dividend payments as per the instructions given by the respective Account Holders to the CDS.
- (iii) 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 Listed Entity to the CDS.

7.3 Issue of shares credited as fully paid up by way of capitalization of reserves

When a Listed Company issues shares credited as fully paid up by way of capitalization of reserves, the CDS shall furnish it with a list of Account Holders with their respective holdings of that Security as at the Record Date.

The newly allotted shares shall be deposited directly to the respective Client accounts as per the information provided by the Listed Entity to the CDS.

7.4 Rights issues

- (a) When a Listed Entity makes a Rights Issue, the CDS shall furnish it with a list of Account Holders with their respective holdings of that Security as at the Record Date.

- (b) Subject to Rule 7.1 (c), the Listed Entity shall dispatch/make available the Provisional Letters of Allotment to the respective Account.
- (c) The CDS shall directly deposit the Rights to the respective CDS Accounts of the Shareholders based on the instructions received from the Listed Entities and/or such other issuers of Securities.
- (d) Shareholders of a Listed Entity may renounce their respective Rights only through the CDS. For this purpose, Shareholders who maintain their shareholding outside the CDS in scrip form shall deposit the duly perfected Provisional Letter of Allotment in their Client Account in the CDS through the Depository Participant, in accordance with the procedure for dematerializing evidence of title set out in the CDS Operational Guidelines and Procedures. Such deposits shall be permitted during the period of renunciation of the Rights, as defined in the Listing Rules of the CSE.

The Account Holder may trade on such Rights through the Depository Participant during the period of renunciation of the Rights as defined in the Listing Rules of the CSE.

- (e) The CDS shall submit a list of Account Holders who hold Rights in the CDS with their respective Rights holdings to their respective Depository Participants on the Market Date immediately preceding the last date of payment and acceptance of such Rights. Payments in respect of the Rights subscribed for by the Account Holders shall be submitted to the Listed Company in the manner specified by the CDS.

Details of any unsubscribed Rights by Account Holders shall be notified by the respective Depository Participants to the CDS by 10.30 hours on the last date of payment and acceptance of Rights. Such unsubscribed Rights by Account Holders will be duly withdrawn by the CDS.

- (f) Any Rights duly subscribed by the Account Holders in the CDS, shall be converted to shares as per the instructions given by the Listed Entity upon the listing of such shares on the CSE pursuant to the Rights issue by the Listed Entity.

7.5 Interest and Maturity Proceeds on Debt Securities

- (a) The CDS shall furnish the Listed Entity a list of Account Holders with their respective holdings with regard to the Corporate Debt Security as at the date of entitlements.
- (b) The interest and maturity proceeds shall be made directly to the Account Holder as per the information provided by the CDS.

7.6 Interest and Maturity Proceeds on Perpetual Debt Securities

- (a) The CDS shall furnish the Listed Entity with a list of Account Holders with their respective holdings with regard to the respective Perpetual Debt Securities as at the date of entitlements.

- (b) The interest and maturity proceeds shall be paid by the Listed Entity directly to the Account Holder as per the information provided by the CDS.