

## SECTION 5

### DEMATERIALIZATION OF SECURITIES (DEPOSIT OF SECURITIES)

#### 5.1 Procedure for dematerialisation of Securities in CDS

- (a) Subject to these Rules, Account Holders may dematerialise their Securities held in scrip form by depositing such Securities Certificates into their Client Accounts. Such deposits shall be made through the relevant Participant.

Participants shall ensure that the Securities Certificates and the relevant CDS Form/s handed over to CDS for deposit shall be submitted together with an acknowledgement of deposit in duplicate. The duplicate of the acknowledgement shall be returned to the Participant by CDS as confirmation of receipt of the deposit. Participants shall forward such duplicate of the deposit slip to the relevant Account Holder within three (3) Market Days of receiving same.

- (b) Participants shall ensure that Securities Certificates to be deposited into a Client Account by an Account Holder are submitted together with the relevant CDS Form/s, duly completed, endorsed and executed. Any alterations to the particulars given in such Form/s shall be duly certified by the Account Holder and countersigned by the Participant.
- (c) The CDS shall not be obliged to act on any documentation incorrectly completed, endorsed or executed.
- (d) The quantity of Securities indicated on the Securities Certificate forwarded for deposit shall be deposited to the relevant Client Account by CDS, subject to these Rules.
- (e) Upon receipt of the Securities Certificates for depositing in the CDS, the CDS shall record the quantity of Securities indicated therein as a 'pending' deposit and forthwith notify the relevant Company Secretary of the Listed Entity, in writing, regarding the pending deposit of Securities in the CDS for the purpose of registering such Securities in the name of the CDS in the Register. It shall be the responsibility of the Company Secretary to make arrangements for collection of the relevant documents from the CDS.
- (f) The relevant Company Secretary of the Listed Entity shall confirm/reject the registration of such Securities in the name of the CDS in the Register, in writing, to the CDS within two (2) Market Days from the date of the written notification from the CDS.

In the event the relevant Company Secretary of the Listed Entity rejects the registration of such Securities in the name of the CDS in the Register, the Company Secretary shall indicate the reasons for such rejection. On receipt of such notification from the Company Secretary, the CDS shall cancel the pending deposit and return the Securities Certificates to the Participant, in accordance with Rule 3.4 (f) of these Rules.

- (g) Upon receipt of a written confirmation from the relevant Company Secretary of the Listed Entity in terms of Rule 5.1.1 (f) above, the CDS shall deposit the quantity of Securities indicated in the Securities Certificates to the Account Holder's Client Account, with due notice to the relevant Company Secretary of the Listed Entity.
- (h) The Company Secretary shall immediately inform the CDS as and when a report is lodged with a Listed Entity on any loss of a Securities Certificate, when a Listed Entity discovers a forgery in a Securities Certificate or when a Securities Certificate has been invalidated by the Company Secretary. Such notice to the CDS shall set out the details pertaining to the Securities Certificate including the name of the shareholder, certificate number, quantity of Securities and the company name.
- (i) All liabilities arising out of invalid deposit of Securities with the CDS shall be borne by the Participant.

## **5.2 Procedure to be adopted by Participants when depositing Securities**

- (a) The Participant depositing Securities on behalf of the Account Holder shall ensure the genuineness/authenticity and the validity of the Securities Certificate/s and other documents prior to deposit. The CDS shall not be responsible for any loss resulting from an invalid deposit of Securities.
- (b) If there is any trace of suspicion regarding the genuineness of the Securities Certificate, the Participant shall liaise with the Company Secretary of the Listed Entity and verify whether the Securities Certificate is genuine. These precautions shall be taken prior to handing over the Securities Certificate to the CDS.

## **5.3 Direct Deposit of Securities to Client Accounts**

Notwithstanding anything stated in these Rules, the CDS may accept Securities directly from Listed Companies and/or such other issuers of Securities for deposit into Client Accounts on behalf of the respective Account Holders. The CDS will notify the details of such direct deposit to the relevant Participants.