

# Practice Note of Strate Proprietary Limited

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PRACTICE NOTE – PROCESSING OF CORPORATE ACTIONS EXCLUSIONS - EQUITIES





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## **Practice Note – Processing of Corporate Actions Exclusions – Equities.**

This practice note seeks to set out the processing of Corporate Action exclusions in those instances where an Issuer opts to exclude a Shareholder from receiving a Corporate Action entitlement for Equities.

### **Processing of Corporate Action Exclusions**

1. The Issuer must notify Strate by no later than the LDT (last day to trade) of the Corporate Action, of any applicable exclusion. The Issuer must include the following information in the notification:
  - 1.1 name of Shareholder;
  - 1.2 Shareholder account number at the broker or Participant;
  - 1.3 applicable Central Securities Account number at Strate;
  - 1.4 number of shares to be excluded from receiving the Corporate Action entitlement;
  - 1.5 amount of the Corporate Action entitlement that will be excluded.
2. Strate will provide the affected Participant with the exclusion details as per clause 1 above.
3. The Participant must confirm its agreement to the exclusion, before the exclusion can be effected to the applicable Shareholder's Corporate Action entitlement.
4. Payment of the amended total Corporate Action entitlements will be processed in accordance with the applicable Strate Directive for the processing of Corporate Actions.

#### **NOTE:**

*In light of the importance of the matters above, Strate's Legal and Regulatory Division has issued this Practice Note to assist in dealing with highly complex issues. Please note that this Practice Note is issued for your information, with the aim of assisting you in interpreting the legal and regulatory requirements, but do not form part of the CSD Rules and Directives. It must therefore be noted that, notwithstanding the Practice Note, readers should still exercise their own judgments regarding the information and interpretation.*