

STOCK BORROWING AND LENDING – MANDATORY FORECLOSURE AND CORPORATE ACTIONS

MANDATORY FORECLOSURE

If a trading/dealing suspension is imposed on the shares subject to the SBL transaction, the transaction shall be mandatorily foreclosed and the Return Date of the SBL transaction would be amended as next market day.

If the Borrower does not have shares for the settlement, the trade shall be settled in cash based on the compensation formula.

CORPORATE ACTIONS

In the event a listed company announces a corporate action, the Lender has the option of early recalling the shares subject to the SBL transaction. Alternatively, the Borrower shall be required to ensure that the monetary value of such corporate action is paid to the Lender on the applicable date of such corporate action through the respective Participants as specified below:

Corporate action	Proposed method
Sub-division of shares of shares	The increased/decreased quantity shall be passed on to the Lender on the 2 nd leg settlement date. (Return date + 1)
Consolidation of shares	
Cash dividends	Borrower shall pay the cash value of the dividend to the Lender on the payment date of the cash dividend.
Scrip dividends	The Borrower shall pay the cash value of the new shares to the Lender on the applicable date. (Date of listing of the new shares)
Capitalization of Reserves	
Rights Issues	<p>The Borrower shall pay the cash value of Rights (R) to the Lender based on the closing price of Rights on the 1st day of trading of such Rights.</p> <p>Such payment shall be made by the Borrower to Lender on 2nd trading day of such rights.</p>
Voting rights	If the Lender is desirous of exercising the voting right, the Lender has the option to early recall the shares.
Warrants	<p>The Borrower shall pay the cash value of Warrants to the Lender based on the closing price of the Warrant on 1st day trading of such warrants.</p> <p>Such payment shall be made by the Borrower to Lender on 2nd trading day of such Warrants.</p>

Amalgamation/Share swap	Lender is required to recall the SBL transaction to receive the benefit of the Corporate Actions.
Arrangements	Lender is required to recall the SBL transaction to receive the benefit of the Corporate Actions.
Mandatory/Voluntary offers	Lender is required to recall the SBL transaction to receive the benefit of the Corporate Actions.
Re-purchase of shares	Lender is required to recall the SBL transaction to receive the benefit of the Corporate Actions.

COMPENSATION FOR DEFAULT IN PAYMENT OF A CORPORATE ACTION

In the event the Borrower fails to make available the required amount of monetary value in lieu of a corporate action which shall be paid to the Lender on the applicable date, the Borrower shall be liable to pay a compensation to the Lender.

Such cash compensation shall be comprised of;

***Compensation Amount = Amount of monetary value + 10% from the monetary value
In lieu of the corporate action***