

## Attachment 2 to Stock Exchange Notice N22/10

### SETTLEMENT, CLEARING AND BENEFIT RULES

#### General benefits

##### Entitlement to benefits, and instruction notices [5300-5302]

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| 5302 | <b>Buyers</b> giving instructions within the deadlines set out in the rules must ensure that the instruction is given in time for the <b>seller</b> to receive it by that deadline. |
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##### Central counterparty rules [5303]

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| 5303 | For <b>central counterparty trades</b> , where deadlines and procedures are mandated within the <b>central counterparty rules</b> for the processing of <b>buyers'</b> instructions in relation to benefit distributions and <b>stock situations</b> , <b>member firms</b> should adhere to the <b>central counterparty rules</b> , |
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#### Rights Issues

##### Last time for issue of rights claims [5520]

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| G 5520 | A <b>buyer</b> that issues a claim to a <b>seller</b> to deliver <b>rights</b> or registered securities shall do so in writing not later than the <b>last time for claims</b> in order to become entitled to those <b>rights</b> or the new securities as the case may be. |
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*Guidance to Rule:*

*If the underlying securities are to be settled through **CREST** a claim for the associated **rights** is not required, as a notification will be issued to a **seller** requiring that **seller** to deliver as specified.*

#### Entitlement Issues

##### Entitlement claims [5710]

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| 5710 | Where a <b>buyer</b> of securities cum entitlement, or <b>CREST</b> on behalf of a <b>buyer</b> , makes a claim in writing for the assignment of the application form or the equivalent <b>uncertificated security</b> in favour of the <b>buyer</b> not later than 16.00 two days before the last day for acceptance, the <b>buyer</b> is entitled to receive the assigned application form. |
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#### Conversions and drawings

##### Buyer's instructions to seller where delivery not received [5800]

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| 5800 | Unless otherwise agreed at the time of dealing, a <b>buyer</b> of convertible securities or <b>warrants</b> , or both, cum the right to subscribe for or convert into another security who has not received delivery four days before the last day on which the rights can next be exercised shall, subject to rules 5810 and 5811, give the <b>seller</b> notice in writing of how the rights are to be exercised. |
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#### Takeovers

##### Delivery of unassented shares or the result of an offer [5910-5912]

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| 5910 | A <b>buyer</b> may give an <b>instruction notice</b> , specifying the offer to which it relates, to the <b>seller</b> requiring delivery of: |
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| 5910.1 | the unassented shares at a date which is not later than the close of business two days before the next closing date; or               |
| 5910.2 | the result of an offer or a specified election under the terms of the offer if the offer should become unconditional in all respects. |

## **Stock situations (other than conversions and takeovers)**

### **Delivery of unassented shares or the result of a stock situation**

[5930-5932]

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| 5930   | In <b>stock situations</b> other than conversions or takeovers a <b>buyer</b> may give an <b>instruction notice</b> specifying the option to which it relates, to the <b>seller</b> requiring delivery of: |
| 5930.1 | the unassented shares at a date which is not later than two days before the final election date, or final registration date whichever is the earlier; or   |
| 5930.2 | the result of a <b>stock situation</b> or a specified election under the terms of the <b>stock situation</b> if it becomes effective.  |

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| 5932 | For <b>instruction notices</b> in <b>central counterparty securities</b> the <b>seller</b> shall deliver the unassented shares or the result as instructed if the <b>instruction</b> was received by the <b>seller</b> before the <b>CREST instruction deadline</b> and, for voluntary events in <b>central counterparty securities</b> , where the intended settlement date of the trade was on or before the date of the <b>CREST instruction deadline</b> and delivery did not take place. |
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