

THE
CORPORATE ACTION
COMPANY





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Specialists focused on the automation of Corporate Action processing for over a decade, The Corporate Action Company has the technology, skills and experience to transform your Corporate Action Operations.

THE
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C O M P A N Y

The Corporate Action Company provides a robust, fully featured Corporate Action System developed and proven within an international investment-banking environment over a period of more than ten years. Our product, The Corporate Action Total Solution (CATS), centralizes all aspects of an announcement's life cycle into a single workspace allowing capture, cleansing, tracking, notification, processing and management of all phases of the corporate action.

Customer Orientation

"Our vision is to be the most trusted provider of Corporate Action solutions to business."

A smaller company, we pride ourselves on the strength of our **relationships**. And with our product having been developed and now proven in two major investment-banking environments CATS provides the feature set, **stability and peace of mind** demanded by even the largest client.



CATS Provides

Cost Savings and Reduced Operational Risk

CATS significantly reduces the workload, complexity and risk associated with the processing of corporate actions.

Rich Functionality

Cats was developed within a Global Investment Bank and used internationally across diverse businesses and security types, supporting all markets. Cats will provide the functionality you need.

Stability

Now proven in two international Investment Banking environments over more than ten years.

Ease of Integration

Highly configurable; applies a standard approach to Corporate Action Processing.

Flexibility

Structured to facilitate bespoke implementation.

History

The Corporate Action Total Solution was initially developed as an in-house solution for Dresdner Kleinwort. Ongoing enhancements over a ten-year period gave rise to a robust system that handled the majority of the institution's domestic and international business.

This proven solution is now available to other organisations through The Corporate Action Company.

Installations

Coverage includes:

- Business Types: Custody, Principal, Agency Lending and Prime Brokerage
- Product Types: Equity and Fixed Income (all event types)
- International Markets: Used in Frankfurt, London, Mumbai, New York and Tokyo for most markets; and for clients around the World.



CATS is one of the most functionally rich and configurable processing environments on the market. The system enables complete monitoring and control of the corporate action's lifecycle and provides a single point of access for all corporate action information. CATS facilitates large-scale automation with the potential for manual intervention when necessary.

Functionality is accessed through an intelligently designed user interface that includes the facility to export data into applications such as Excel and Word. Standard use of color streamlines monitoring and task completion.

Complexity

CATS correctly caters to:

- Cash/Finance trades
- Late/Early/Partially settled trades
- Special Ex/Cum trades
- Late/Modified/Cancelled trades
- Traded/Settled/Value Positions
- Foreign exchange
- Japanese dividend estimates
- Event specific taxation

Example Processing Timeline

Processing commences prior to the entitlement date. This continues daily or on demand until lifecycle completion:

- EX-100 Determine interest. Create diary tasks.
- EX-10 Create preview of stock record.
- EX-2 Compute predicted entitlements.
- EX Notify entitlements.
- REC Claim tracking commences.
- PAY Agent receipts recorded.
- PAY+ Open claims tracked until settlement.

Lifecycle completion: The event is reconciled, claims settled, documents transmitted, tax recorded and diary tasks are marked as complete.

CATS applies a standard approach to Corporate Action Processing, with all event types processed through the CATS lifecycle:

Event Capture and Cleansing

CA announcements and updates are captured from various data providers.

Diary and Tasks

Tasks are created for each event, based on configured rules. Open tasks are allocated and tracked until completion.

Entitled Stock Record

Using market rules, trades and positions are analyzed to create an entitled stock record for relevant events.

Entitlement Calculation

The entitled stock record is the basis for calculations. Potential entitlements, taxes and transformations are calculated for each outcome.

Election Decisions

For each entitled holder, full or partial elections can be made against any or all options. Incomplete elections at the deadline date will revert to a default action.

Outcome Generation

Outcomes (cash and stock) are generated based on entitlement calculations, election decisions, and configured rules.

Reconciliation

Entitled stock record and generated outcomes are reconciled automatically. Any reconciliation issues create exceptions.



Notifications

CA announcements, holder notifications, entitlements and outcomes are sent to interested parties.

Claims and Risk

Open claims can be grouped, notified and tracked, automatically or manually. Outstanding cash claims are reportable in either claim or local currency.

Outcome Settlement

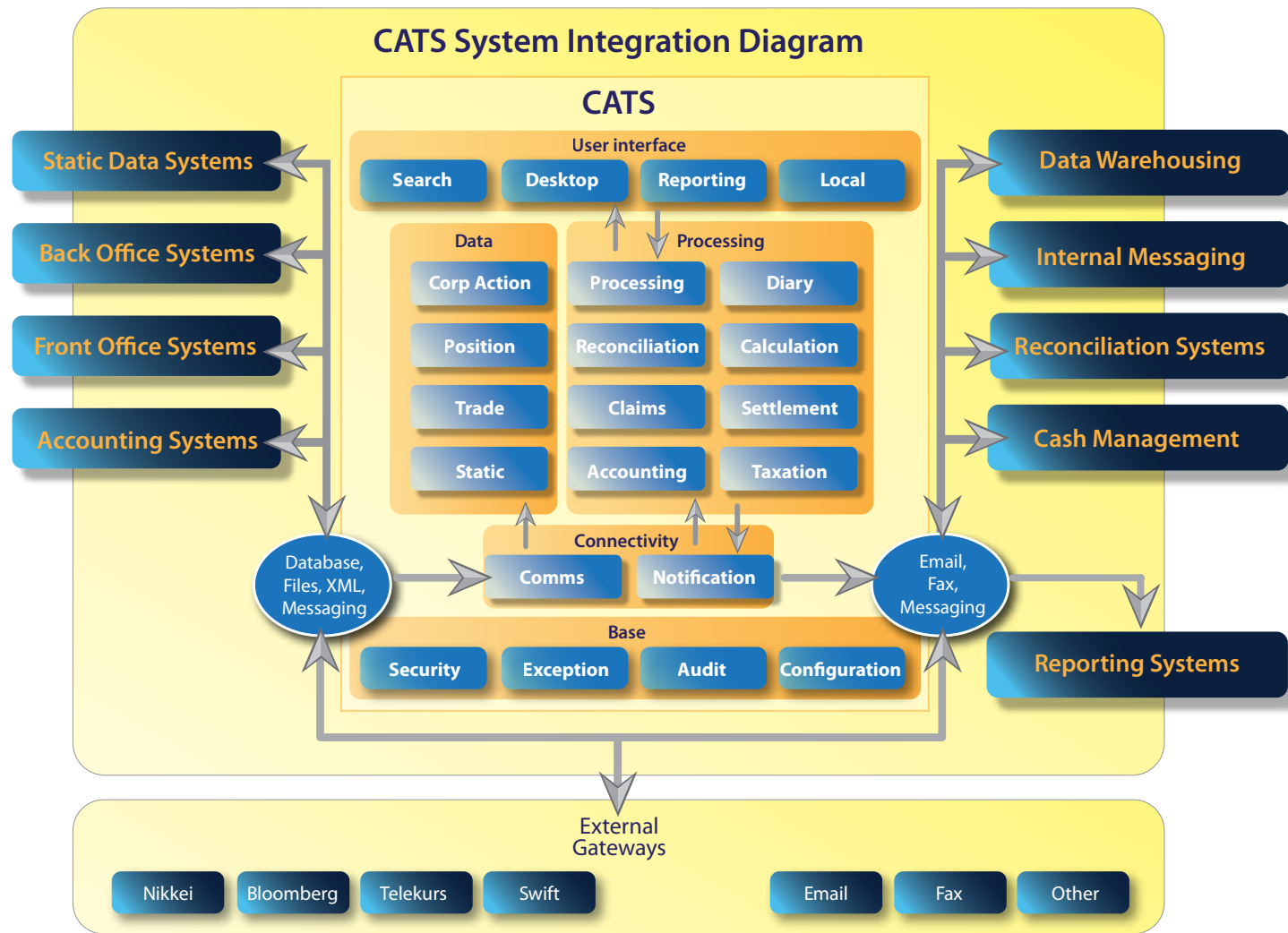
Receipts or payments (cash or stock) may be handled automatically or manually. Small cash amounts can be written off.

Reports

Standard reports and searches are provided. Tools are available for development of bespoke reports.

Other

Business entity specific functionality can be integrated into the CATS framework.



Timing

Data transmission may be real time or scheduled. Extracts and uploads can be run manually when needed.

Hardware

CATS will run on any Java enabled platform. CPU and RAM requirements depend on volumes.

Volume

With relatively inexpensive hardware, CATS will handle several hundred thousand trades per day in a single installation. With more expensive hardware and multiple installations CATS is capable of meeting extremely high-end volume requirements.

Security

Access rights are allocated to users and user groups. Multi-user validation may be applied to updates and functions.

Audit

Manually modified data is audited to permit full traceability.

Archiving

CATS will retain data on-line for as long as possible, however resource restrictions periodically mandate archiving. Data may be retrieved from archive, however, as required.

Options

We provide internally or externally hosted solutions. CATS can be purchased as a modular toolkit. Source code licensing is available.

Corporate Actions

Data may be sourced from various locations, including Manual Entry, Local Data, Data Vendor and Agent Swifts.

Incoming data

Trades, Positions, Static, Accounting and Corporate Action Data may be received into CATS from internal and external systems.

Outgoing data

Accruals, Journals, Settlements, Holder Notifications and other business data can be transmitted from CATS for use by internal or external systems and system users.

Messaging

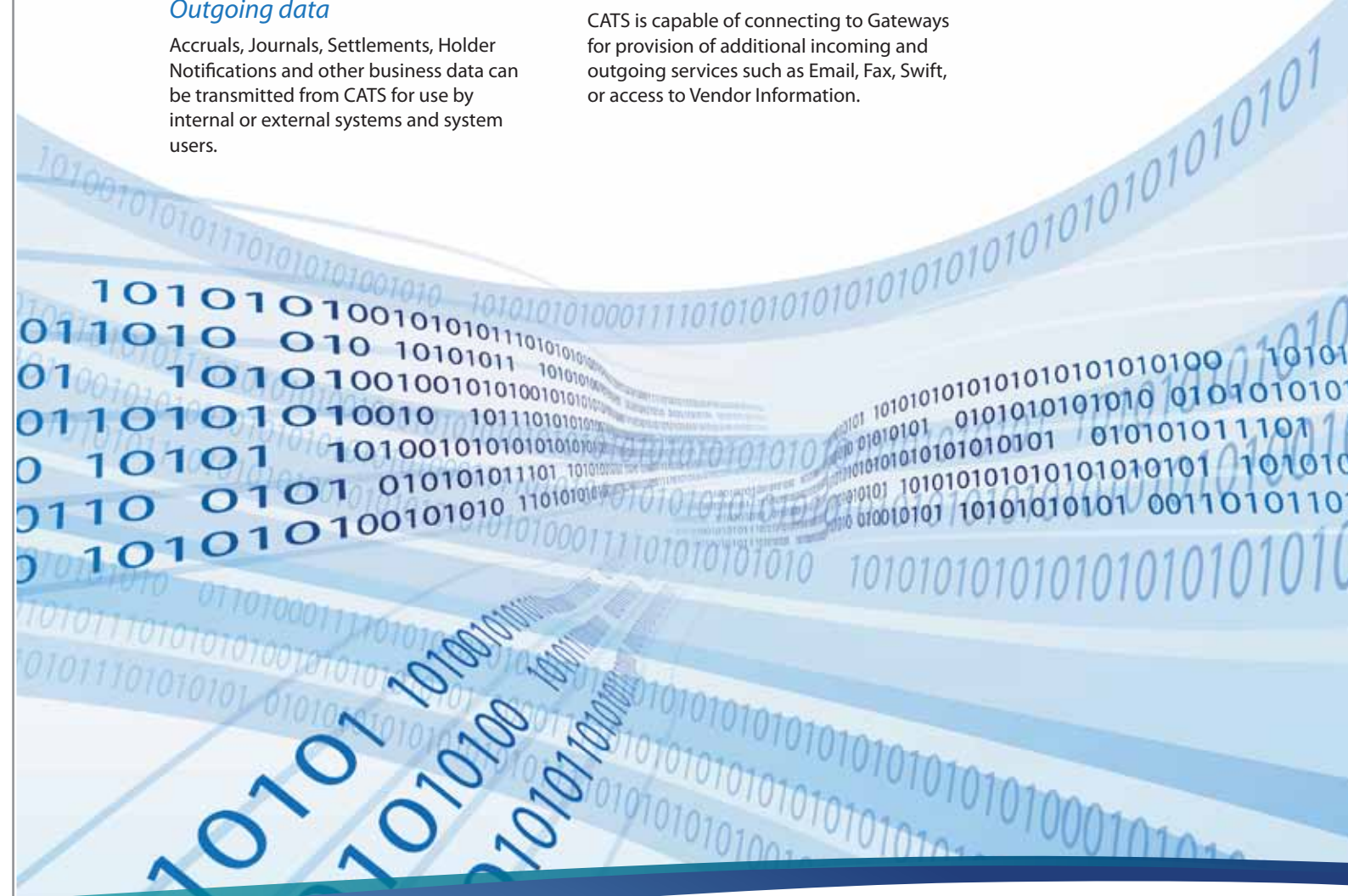
Messages may be Flat Files, XML, CSV, PDF, Excel or proprietary. The system supports Swift ISO15022.

Connectivity

Supported protocols include: MQ, JMS, FTP, SFTP and Web Services.

Gateways

CATS is capable of connecting to Gateways for provision of additional incoming and outgoing services such as Email, Fax, Swift, or access to Vendor Information.



CATS integrates with your current systems to increase automation and to significantly reduce operational risk.

CATS can be installed on most modern hardware and rapid integration is facilitated through flexibility in connectivity and data format. The system may also be adapted to ongoing changes in the business environment.

Get in touch

Additional information is available on our web site:

www.corporate-action.com

Or contact us to arrange a demonstration:

+44 (0) 203 009 3160

Support

A CATS installation includes the following support tools:

- Intranet based CATS batch and CATS process monitoring components
- Process warning and notification systems

The system can also integrate with internal process monitoring functions.

Our team typically provides long-term application support and we guarantee minimum response times.



THE
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TOTAL
SOLUTION

FUNCTIONALITY

Event Types

- Benefit, Transformation or Information
- Mandatory, Mandatory with Options or Voluntary
- Equity or Debt

Multi Entity Processing

- Agency Lending
- Prime Brokerage
- Principal
- Custody
- Domestic
- International
- Retail

Taxation

- Multi Market
- W8, W9, APPC, MOD2 Processing
- Year End Taxation Data (AWV, SX1)
- Taxation Reclaims
- Automatic Rule-Based Tax Matching

Diary

- Multiple Diaries
- Shared Team Diaries
- Automatic Tasks based on CA Dates
- Manual Tasks
- Allocation to Users
- Overdue Task Highlighting
- Task Prioritization

CORPORATE ACTION TYPES

Bond Default	Diary Dividend	Principal/Amort Payment	Scrip Dividend
Bond Exchange Offer	Delisting	Par Value Change	Stock Dividend
Bankruptcy	Demerger	Pari Passu	Statement Of Account
Bonus Issue	Dividend	Payment In Kind	Solicitation
Bonus Rights	DRIP Dividend	Placing	Spin Off
Bond Repurchase Offer	Disclosure	Put Retraction	Stock Split
Bond Tender Offer	Drawing	Put Option	Subdivision
Call Payment	Equity Redemption	Reconstruction	Tender Offer
Capital Reduction	Early Redemption	Redemption Final	Takeover for Cash
Currency Holiday	Exchange Offer	Remarketing	Takeover for shares
Class Action	Exercise	Reorganisation	Takeover for Shares & Cash
Conversion	Fungibility	Repayment	Warrants Exchange
Consolidation	Liquidation	Redemption (Lottery Drawing)	
Coupon And Paydown	Maturity	Redemption (Partial Call)	
Coupon Payment	Merger	Repurchase Offer	
Coupon And Redemption	Mandatory Exchange	Reverse Stock Split	
Compulsory Redemption	Miscellaneous	Return of Capital	
Cash Stock Option	Meeting	Rights	
Consent	Name Change	Scheme	
Currency Option	Optional Dividend		
Dutch Auction	Open offer		

& CUSTOM CONFIGURED CORPORATE ACTIONS



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