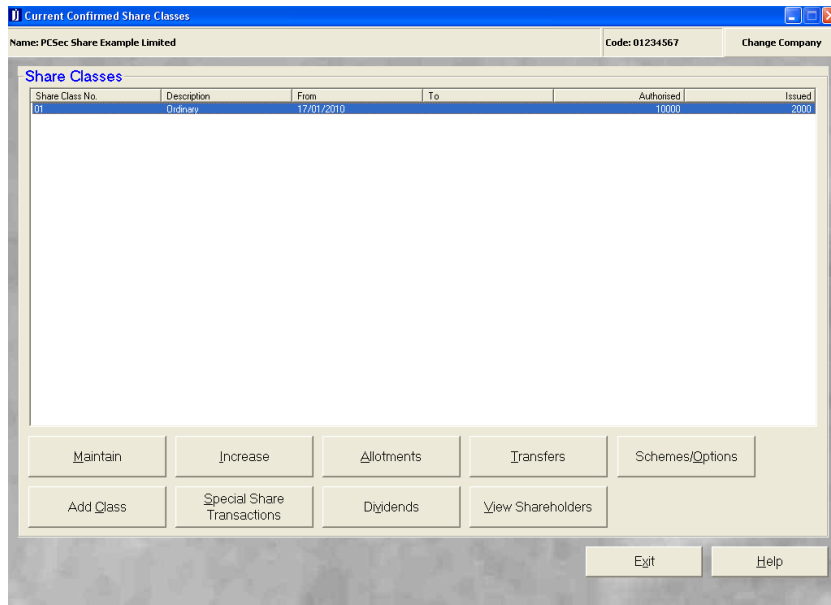


Conversion to another class

In this example we have a company with 10,000 authorised Ordinary shares of £1 and 2,000 shares currently in issue.



The current shareholdings are:

Nigel Albert with 500 shares
David Christopher Barrington with 1,000 shares
Paul Cole with 300 shares
Robert David 200 shares

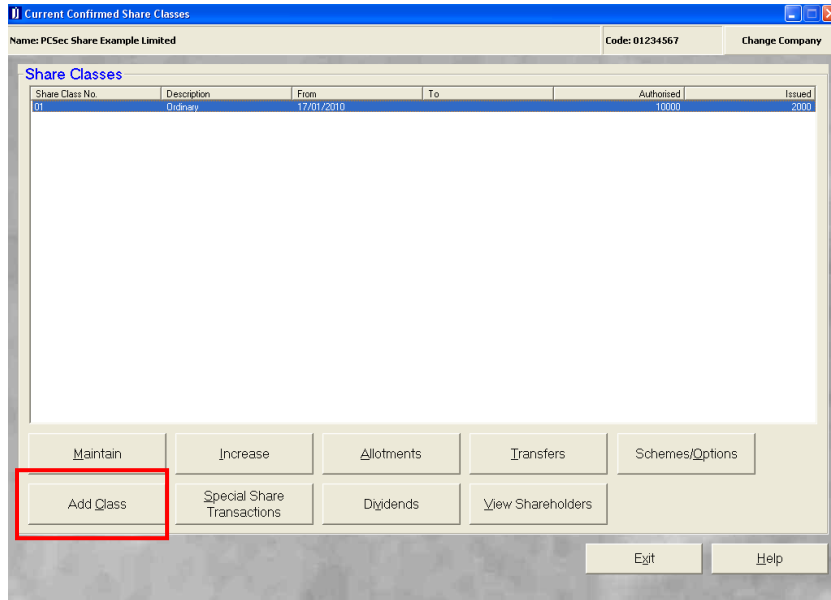
On 30 June 2010 a new share class of 1,000 authorised Preference shares of £1 has been created from the existing authorised capital of the company and each current shareholder will have half of their shareholding converted into this new class.

To update PCSec with this information we need to carry out the following steps:

1. Add the new Preference share class (authorised 1,000 shares of £1).
2. Convert half of each current shareholders Ordinary shareholding to the new Preference share class.
3. Reduce the authorised capital of the Ordinary share class by 1,000 shares.

Step 1: Add the new Preference share class

In the **Share Classes** screen click on the **Add Class** button



The Preference share class is added as follows:

Share Class Number: 2 (being the next unused share class number)

Short Class Description: Preference

Long Class Description: Preference

From Date: 30/06/2010 (being the date the new class was created)

To Date: Leave blank (as is still a current share class)

Confirmed: Yes

Authorised Capital: Yes (as in the case the share class has a specified authorised limit)

Number of Shares: 1,000 (being the authorised limit for this class)

Price Per Share: 1.00 (being the nominal value)

Currency Sign: £ (being the share currency)

Currency: Pound sterling

Currency Sign Position: Left (on which side of the Price Per Share should the Currency Sign appear)

Called Up Amount Per Share: 1.00 (if a share is unpaid, what amount would be called, in this case the nominal value)

Voting Rights: as applicable (the voting rights & prescribed particulars attached to the share class)

Share Class : Add New

Name: **PCSec Share Example Limited** Code: **01234567**

Share Class Number:

Short Class Description:

Long Class Description:

From Date:

To Date:

Confirmed: Electronically Filed:

Authorised Capital: Number Of Shares:

Price Per Share: Voting Rights:

Currency Sign: Code:

Currency Sign Position:

Called Up Amount Per Share:

Voting Rights - Holders of Preference shares are not entitled to vote. - Dividend Rights - Shares hold a preferential right to a dividend as more particularly described in the articles of association. - Distribution Rights on a Winding Up - Shares have a preferential right to any distribution made on a winding up as more particularly described in the articles of association. - Redeemable Shares - The

Once all details have been completed click the **OK** button to save the changes.

You will now be showing 2 share classes on screen:

Share class 1 Ordinary: Authorised 10,000 shares and Issued 2,000 shares

Share class 2 Preference: Authorised 1,000 shares and Issued 0 shares

Current Confirmed Share Classes

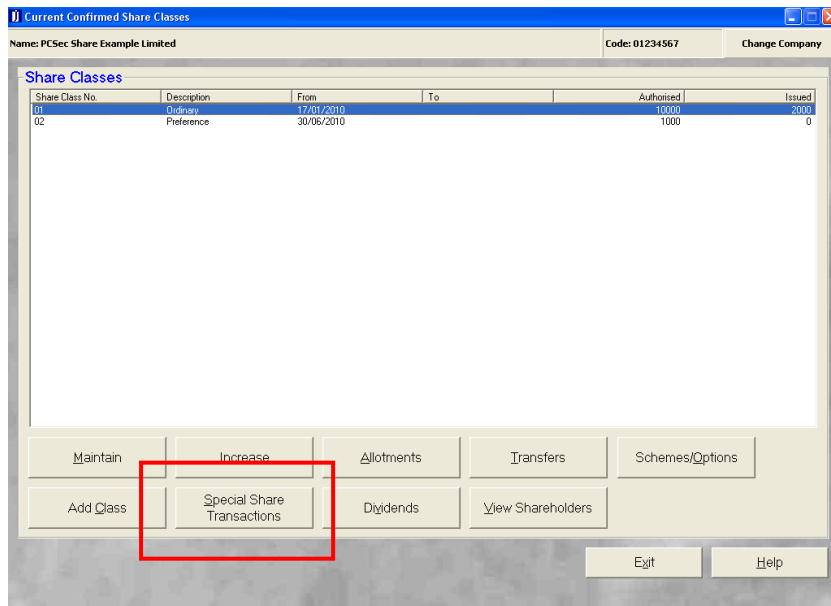
Name: **PCSec Share Example Limited** Code: **01234567**

Share Class No	Description	From	To	Authorised	Issued
01	Ordinary	17/01/2010		10000	2000
02	Preference	30/06/2010		1000	0

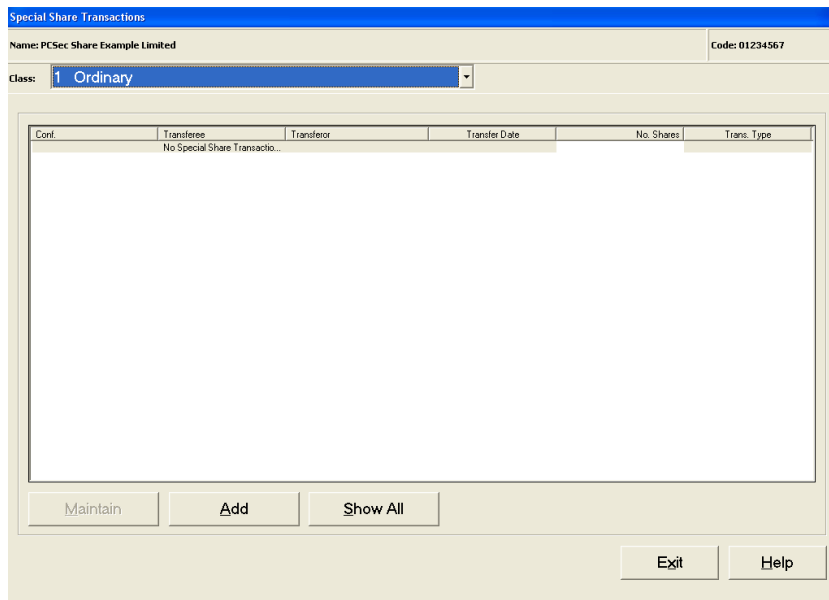
Step 2: Convert issued Ordinary shares to Preference shares

Now Preference shares are recorded the next step is to convert half the shareholding of each Ordinary shareholder into this new class of shares.

In the **Share Classes** screen select **Share Class No 1 Ordinary** click on the **Special Share Transactions** button



Ensure Class is set to **Ordinary** and click on the **Add** button.



In **Transaction Type** select **Conversion to another class**

Add Special Share Transaction

Name: PCSec Share Example Limited Code: 01234567

Transaction Type: [Dropdown menu open showing options: Payment on partly paid shares, Conversion to bearer warrant, Conversion from bearer warrant, Conversion to another class, Subdivision, Consolidation, Forfeiture, Redemption of shares by company]

Holder Code: [Field with text 'Select a transaction']

Buttons: OK, Cancel, Help

All current shareholders will be displayed. Select the first shareholder to convert and click **OK**.

Add Special Share Transaction

Name: PCSec Share Example Limited Code: 01234567

Transaction Type: Conversion to another class

Holder Code	Share Holder N...	Paid Up Price	Shareholding
ALBERT N	Nigel, Albert	1.00	500
BARRI DC	David Christoph...	1.00	1000
COLE P	Paul, Cole	1.00	300
DAVID R	Robert, David	1.00	200

Buttons: OK, Cancel, Help

Complete the conversion as follows:

Date of Registration: 30/06/2010 (being the date the shares were converted)

Number of Shares: 250 (the number of Ordinary shares being converted to Preference shares)

Shares Surrendered: 500 (the number of Ordinary shares on the surrendered share certificate)

Balancing Shares: PCSec will automatically calculate any balancing shares requiring a certificate

New Share Class: Share class [2] Preference (1.00) (The class that the 250 shares are being converted into)

Certificate Number: Share certificate number for the new 250 Preference shares (Please note that PCSec cannot automatically produce this share certificate. It will need to be created from the Blank Forms section of the software)

Balancing Share Cert. Number: Share certificate number for the remaining 250 Ordinary shares. (Again PCSec cannot automatically produce this share certificate. It will need to be created from the Blank Forms section of the software)

Remarks: PCSec will automatically create a remark noting the conversion details. This remark can be edited.

Special Share Transaction: Convert to other class

Name: **PCSec Share Example Limited** Code: **01234567**

Share Class: 1 Ordinary

Share Holder: ALBERT N Mr Nigel Albert

Member Shareholding: 21 Ordinary shares held: 500 Confirmed: Yes

Date of Registration: 30/06/2010 New Share Class: [2] Preference (1.00)

Number Of Shares: 250 Certificate Number: 5

Shares Surrendered: 500 Sealing Number: 0

Balancing Shares: 250 Balancing Share Cert. Number: 6

Balancing Sealing Number: 0

Beneficial Owner:

Remarks: Share(s) converted from class Ordinary to class [2] Preference (1.00)

OK Cancel Help

Click **OK** to save the conversion.

Repeat these steps for each shareholder until all required shares have been converted.

Special Share Transactions

Name: **PCSec Share Example Limited** Code: **01234567**

Class: 1 Ordinary

Cont	Transferee	Transferor	Transfer Date	No. Shares	Trans. Type
Y	PCSec Share Example Limited	Albert, Nigel	30/06/2010	250	CONTRL
Y	PCSec Share Example Limited	Barrington, David Christopher	30/06/2010	500	CONTRL
Y	PCSec Share Example Limited	Cole, Paul	30/06/2010	150	CONTRL
Y	PCSec Share Example Limited	David, Robert	30/06/2010	100	CONTRL

Maintain Add Show All

Exit Help

You will now be showing:

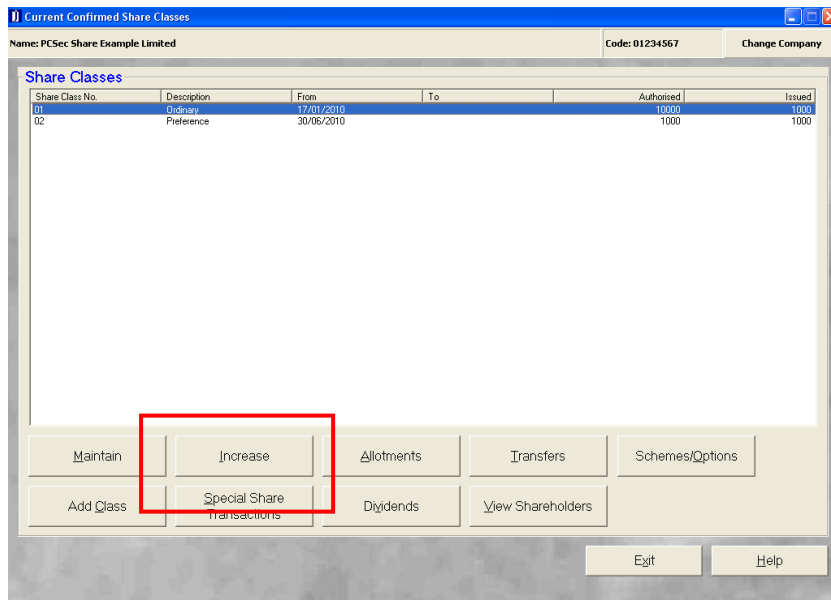
Share class 1 Ordinary: Authorised 10,000 shares and Issued 1,000 shares
Share class 2 Preference: Authorised 1,000 shares and Issued 1,000 shares

Share Class No.	Description	From	To	Authorised	Issued
01	Ordinary	17/01/2010		10000	1000
02	Preference	30/06/2010		1000	1000

Step 2: Reduce the authorised Ordinary shares

Now that you have converted the issued Ordinary share to Preference shares the final step is to reduce the authorised limit on the Ordinary class.

In the **Share Classes** screen select **Share Class No 1 Ordinary** click on the **Increase** button



Complete the Increase screen as follows:

Date of Increase: 30/06/2010 (being the date the conversion took place)

Authorised Capital: Yes

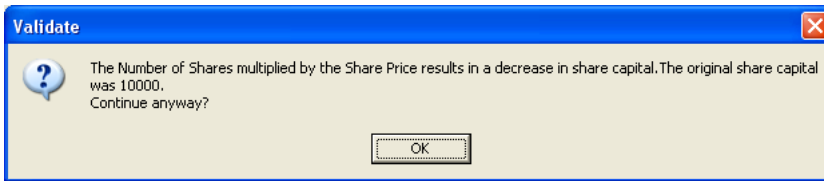
TOTAL authorised shares: 9,000 (being the new authorised limit on the Ordinary share class)

Click **OK** to save changes.

PCSec will warn you that you have actually added a DECREASE in authorised share capital and not an increase. Click **OK** to continue and save the changes.

PCSec

Company Secretarial Software



You have now finished and will be correctly showing the current company share capital as:

Ordinary £1 shares: 9,000 authorised and 1,000 issued
Preference £1 shares: 1,000 authorised and 1,000 issued

