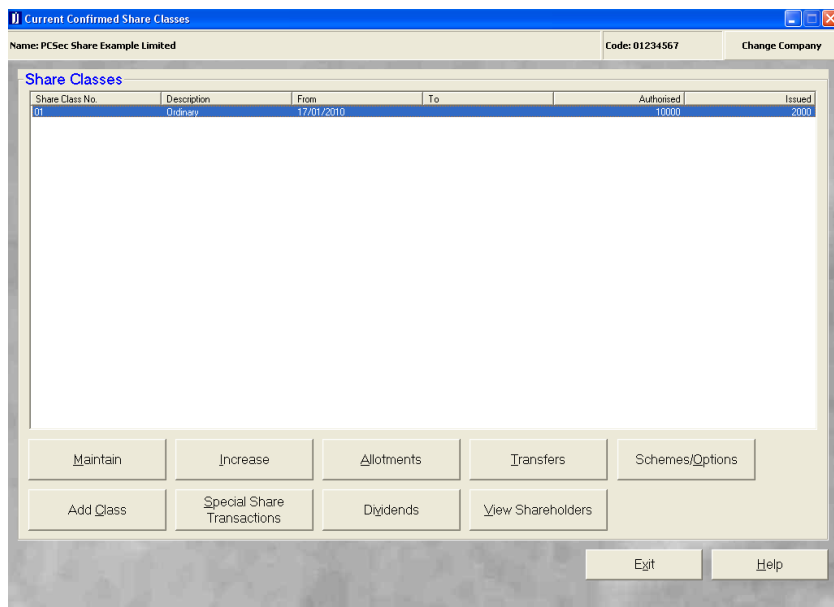


## Purchase of own shares

The example given here uses the Purchase of Own Share special share transaction. The same steps can be followed for both the Redemption of Share by Company and Forfeiture special share transactions.

In this example the company has 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 the company reduced both its authorised and issued share capital by 10% via a purchase of own shares.

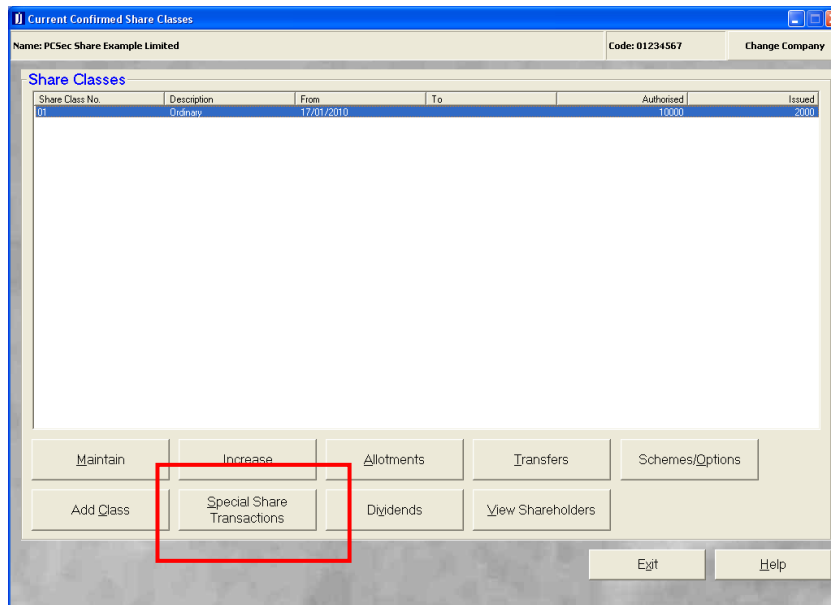
To update PCSec with this information we need to carry out the following steps:

1. Buy back 10% of each shareholders current shareholdings via Purchase of own shares
2. Decrease the company's authorised capital by 10%.

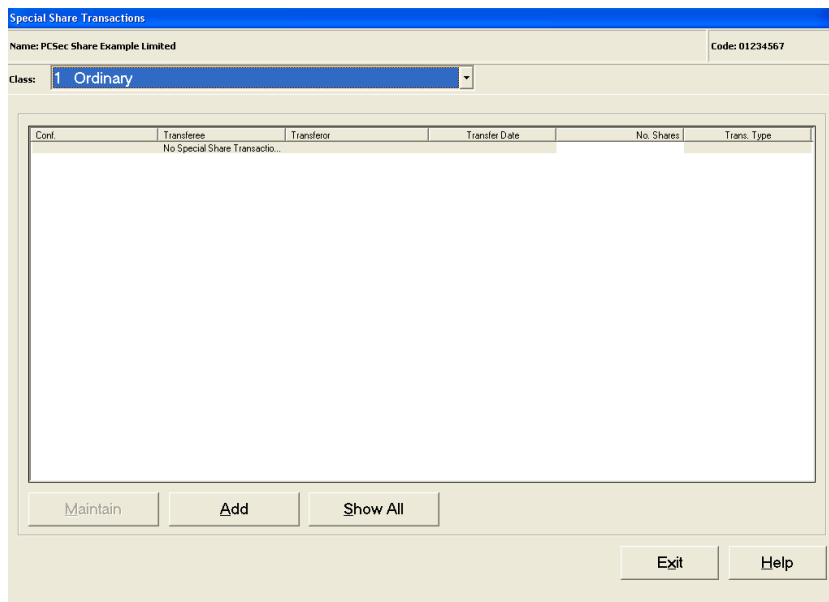
*Please note that PCSec can only purchase/redeem/forfeit whole shares.*

## Step 1: Buy back 10% of each shareholders current shareholding

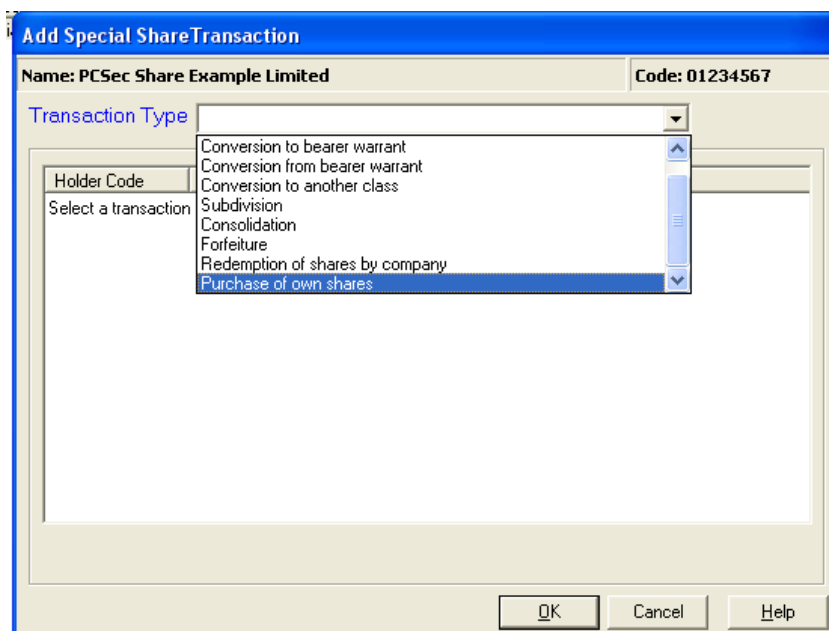
In the **Share Classes** screen select **Share Class No 1 Ordinary** click on the **Special Share Transactions** button



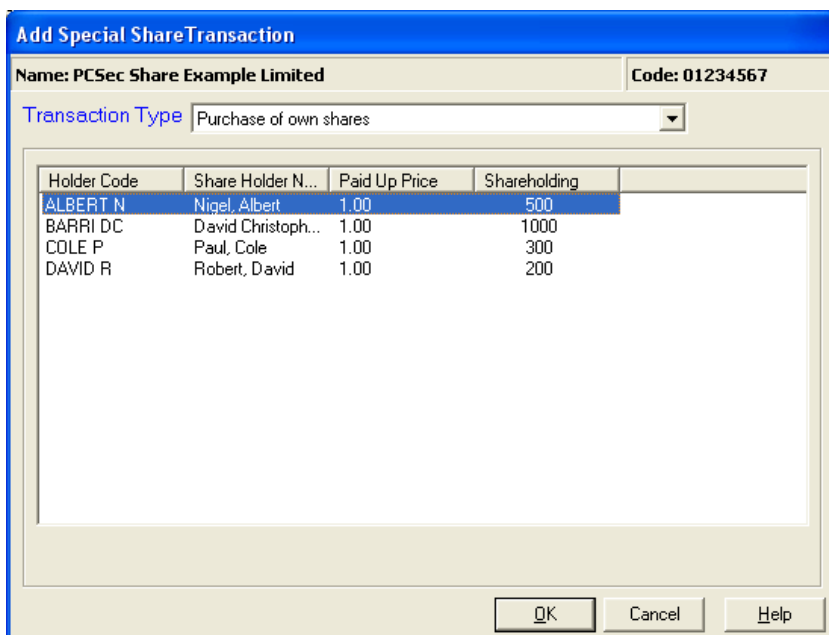
Ensure Class is set to **Ordinary** and click on the **Add** button.



In **Transaction Type** select **Purchase of own shares**



All current shareholders will be displayed. Select the first shareholder to purchase back 10% of their shares and click **OK**.



Complete the purchase of own shares as follows:

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

**Number of Shares:** 50 (the number of Ordinary shares being purchased back by the company)

**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

**Confirmed:** Yes

**Balancing Share Cert. Number:** Share certificate number for the remaining 450 Ordinary 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)*

**Remarks:** You can enter any of your own remarks or notes connected with the purchase of own shares.

**Special Share Transaction: Purchase of own shares**

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

Share Class: 1 Ordinary

Share Holder  
ALBERT N Mr Nigel Albert

Member Shareholding: £1 Ordinary shares held: 500 Confirmed: Yes

Date of Registration: 30/06/2010

Number Of Shares: 50 Certificate Number: 0

Shares Surrendered: 500 Sealing Number: 0

Balancing Shares: 450 Balancing Share Cert. Number: 5

Balancing Sealing Number: 0

Beneficial Owner:

Remarks

OK Cancel Help

Click **OK** to save the purchase of own shares.

Repeat these steps for each shareholder until 10% of all issued shares have been converted.

**Special Share Transactions**

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

Class: 1 Ordinary

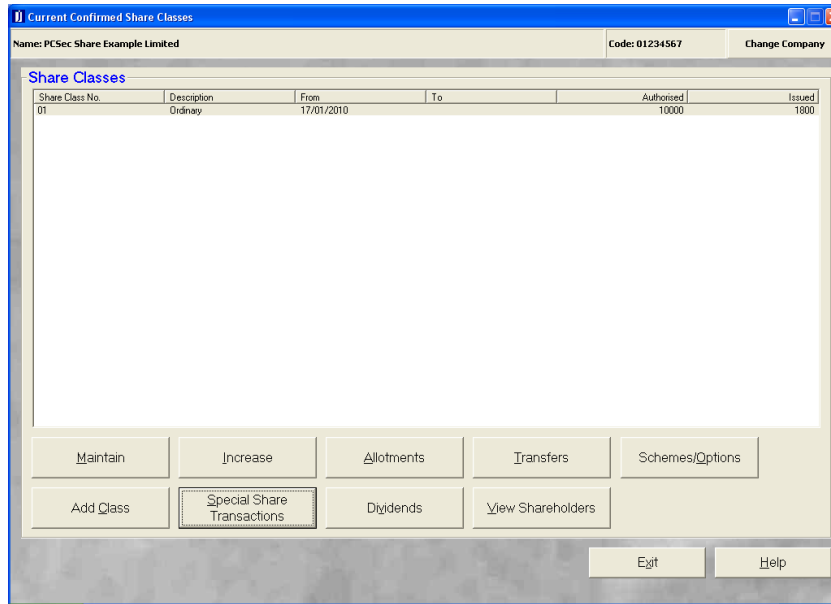
Conf.	Transferee	Transferor	Transfer Date	No. Shares	Trans. Type
Y	PCSec Share Example Limited	Albert, Nigel	30/06/2010	50	PCHOV/N
Y	PCSec Share Example Limited	Barrington, David Christopher	30/06/2010	100	PCHOV/N
Y	PCSec Share Example Limited	Cole, Paul	30/06/2010	30	PCHOV/N
Y	PCSec Share Example Limited	David, Robert	30/06/2010	20	PCHOV/N

Maintain Add Show All

Exit Help

You will now be showing

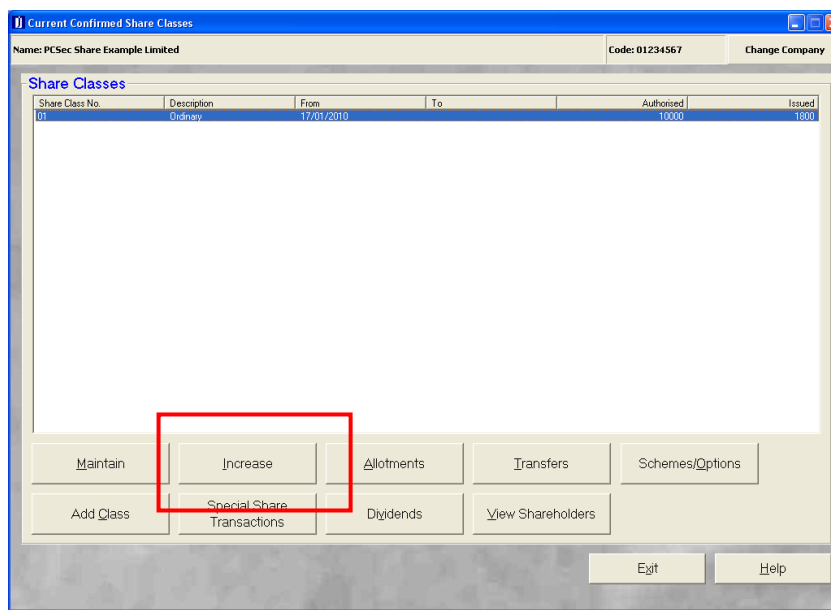
Share class 1 Ordinary: Authorised 10,000 shares and Issued 1,800 shares



## Step 2: Reduce the authorised Ordinary shares

Now that you have purchased back 10% of the issued Ordinary shares the final step is to reduce the authorised limit on the Ordinary share class also by 10%.

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 cancellation took place)

**Authorised Capital:** Yes

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

**Share Class : Increase**

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

82

Share Class Number:

Short Class Description:

Long Class Description:

Date of Increase:

To Date:

Confirmed:  Electronically Filed:

Authorised Capital:  TOTAL authorised shares:  Previous Total:

Price Per Share:  Voting Rights:

Currency Sign:  Code:

Currency:

Currency Sign Position:

Called Up Amount Per Share:

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.

**Validate**

The Number of Shares multiplied by the Share Price results in a decrease in share capital. The original share capital was 10000. Continue anyway?

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

Ordinary £1 shares: 9,000 authorised and 1,800 issued

**Current Confirmed Share Classes**

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

Share Class No	Description	From	To	Authorised	Issued
01	Ordinary	30/06/2010	29/06/2010	9000	1800
01	Ordinary	17/01/2010	29/06/2010	10000	