



Dividend Reinvestment Choices in StockTrack™

Make it easy for your existing shareholders to reinvest in your company

Overview

A DRP (“Dividend Reinvestment Plan”) can provide continued and automatic investment in your company by your current shareholders. There are two methods of handling a DRP in **StockTrack™**.

The **Fractional Share DRP** provides for separate accounting of logical shares and cash contributions in the DRP balanced by shares held by a Dividend Reinvestment Administrator (“DRA”) holding shares in the ‘regular’ system. This provides flexibility but also requires some additional administrative work.

The **Full Share DRP**, requires less administrative time and provides for simpler reporting. It generates new shares (as its name implies) as full shares only and the remainder of the dividend is paid by check or direct deposit.

Fractional Shares DRP vs Full Share DRP

Full Share DRP

Fractional Shares DRP

Features

Issue full shares for the number of shares that can be purchased from a shareholders net cash dividend	Allocates whole and fractional shares as part of the DRP (whether non-reinvestment shares are set to whole shares or fractional shares)
Issued and outstanding DRP shares are indistinguishable from other shares in the company	Kept in a separate transactional file unless converted to standard shares
Shares are issued based on the number of full shares of stock that a shareholder can purchase from the percent of their cash dividend (0% to 100%) that each shareholder elects to participate in DRP.	Shareholder can add funds in any amount to purchase shares
DRP Shares are indistinguishable from other shares in the company	Shareholders can convert DRP shares to physical shares or withdraw funds from the DRP
DRP Shares are indistinguishable from non-DRP shares and appear on all applicable screens, reports and shareholder statements	DRP Statement and separate reporting included
Shareholders can select the percentage of their cash distribution that will be used for Full Share DRP. The number of full shares that can be purchased with these funds will be issued as shares. Any remaining funds are paid as a check or ACH.	Shareholder can specify that all or a specified number of shares participate in the DRP

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Setup

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| <p>Select this Full Share DRP option on the Settings screen</p> | <ul style="list-style-type: none"> ▪ Set up a Dividend Investment Administrator (“DRA”) shareholder account ▪ Add at least one share in the class to be acquired for the DRP ▪ Select this account on the DRP Settings screen. |
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| <p>Mark each shareholder who wishes to participate (and optionally the percentage of each cash dividend they wish to participate)</p> | <p>Mark whether all or a specified number of shares will participate in DRP for each shareholder</p> |
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Administration

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| <ul style="list-style-type: none"> ▪ Enter the price/share when you create a dividend. ▪ After the dividend is complete, the New Issue transaction for shares to be purchased will appear on the Pending Transactions screen ready to complete. | <ul style="list-style-type: none"> ▪ After completing a dividend or adding cash to the DRP fund for one or more shareholders, complete a Plan Purchase to convert these funds to DRP shares. ▪ An optional fee can be added to the share cost ▪ StockTrack™ displays the number of shares that will be generated in the DRP and that should be acquired by the DRA ▪ This quantity of actual shares should be acquired for the DRA’s account ▪ Send DRP statements to notify shareholders of change to balance and current position |
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Reporting

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| <p>Since full share reinvestment shares are indistinguishable from non-reinvestment shares, such certificates appear on standard certificate reports such as the Shareholder Statement; the Shareholders with Certificate Detail report; and many, many other reports. These shares are identified as having been purchased as reinvestment.</p> | <ul style="list-style-type: none"> ▪ DRP Statement ▪ Plan Shares and Participating Shares Audit ▪ Reinvestment Transactions ▪ Optionally show DRP as a separate section on the Shareholder Statement ▪ The shares of the DRA, rather than the fractional shares held by each shareholder, are shown on StockTrack™ report other than the DRP reports |
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Proxy

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| <p>Since these shares are indistinguishable from non-reinvestment shares, they are voted the same as other shares (as part of each shareholders holdings)</p> | <p>Option to select to vote only full shares in reinvestment or to include the fractional shares as well</p> |
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If you do not currently offer a DRP program, check with your legal and tax advisors. You may need new or updated authorization or approvals from government agencies and your Board of Directors.