



MEMO

To: Board of Directors
From: Company Secretary
Subject: **MASTER SHARE TRANSFER**

There are various situations where use of a 'master share transfer form' is appropriate, some considered below.

Distribution *In Specie*

You are proposing that the ownership of all of the Parent company's shares in its Subsidiary company be transferred to the shareholders of the Parent in the same proportion as they already hold shares in the Parent.

Obviously, with around 5,000 shareholders in the Parent we would not wish to prepare/sign 5,000 separate share transfer forms. Therefore, it is proposed that one single transfer form be signed by the Parent as vendor and that a schedule of shareholders be attached indicating how many shares they will each get in the Subsidiary.

As the Subsidiary is 'taken to be registered in NSW', I have spoken to the NSW Office of State Revenue and they see no problem in stamping the one master transfer document. Obviously, in states where they no longer have stamp duty on share transfer forms then that aspect is not relevant.

For your information, a couple of other examples of where a 'master share transfer form' would be used are as follows:

Takeover

Where a company (i.e., bidder) makes a takeover offer for another company one 'master transfer' is applicable to transfer ownership from the underlying [list of] shareholders into the name of the bidder company.

Compulsory Acquisition

Where a company takes advantage of the 'compulsory acquisition' provisions – where they have already gained 90% of a target company – and moves to mop up all the other shares, it would utilise a 'master transfer' form to transfer ownership of the shares from the various shareholders into its name.

DISCLAIMER

The comments in this memo reflect some commercial aspects and observations on the matter experienced or observed by the writer in practice as he understands them. The information is given as a guide only and does not represent a definitive or legal view of any of the issues raised, covered or referred to and the reader is urged to seek his own professional advice on all aspects of, or pertaining to, this and any related matter.
