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What is a Direct Stock Purchase Plan with a Waiver Feature?

Direct Stock Purchase and Dividend Reinvestment Plans have historically been offered by companies to provide shareholder benefit.

- **Direct Stock Purchase Plan (“DSPP”)**

- Provides the opportunity for shareholders and investors to purchase nominal amounts of stock directly from a company

- **Dividend Reinvestment Plan (“DRIP”)**

- For companies that pay a dividend, a DRIP provides the opportunity for shareholders to reinvest dividends and receive stock in lieu of cash

- **These plans traditionally enabled shareholders to derive benefit from buying stock directly from a company at current market prices, without paying brokerage fees and commissions**

- Terms for the DSPP or DRIP are simply stated in a prospectus that is filed with the SEC
- Share issuance is facilitated through drawing down from a shelf or through open market purchases

- **Adding a waiver feature to a DSPP provides a company with an opportunistic and cost-effective capital raising tool**

- The waiver feature remains in standby mode until activated by the company
- An in place framework requires little lead time when a company chooses to raise capital
- When activated, a company can issue stock “off the shelf” to shareholders and investors who request to purchase an amount greater than the plan-stated maximum