



Guideline of Putting Up Listed Shares as Pledge

-ver. 1.0-

Update: 2nd September 2016

Yangon Stock Exchange Joint-Venture Co., Ltd.

Objectives of this Guideline

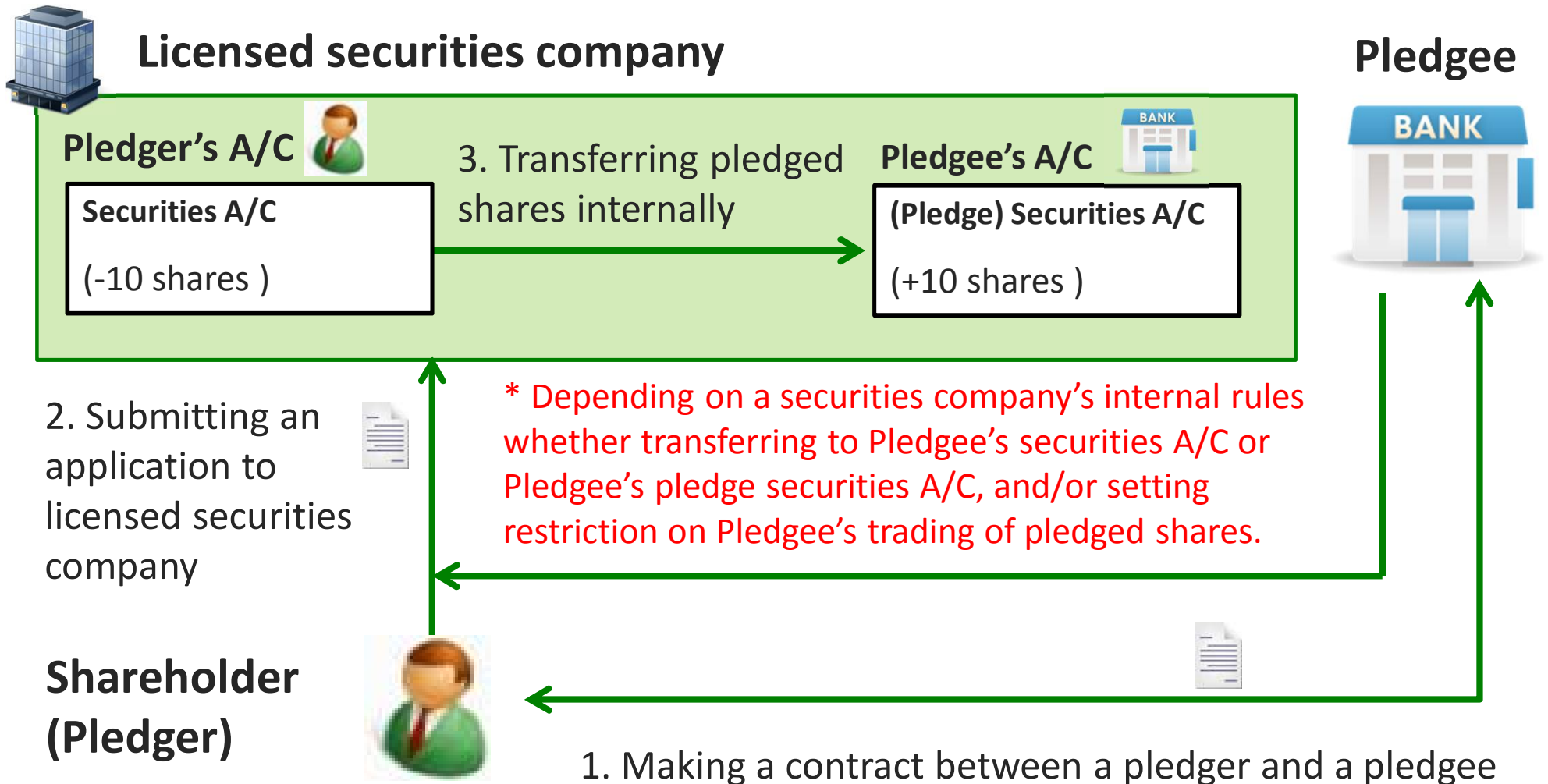


- This Guideline has been developed to provide YSX's suggestion to shareholders (Pledger) and a person (Pledgee) dealing with putting up listed company's shares as Pledge.
- This Guideline is not part of the Book-entry Transfer Business Regulations of YSX and does not in any way amend a listed company and a Trading Participant's obligation.
- Arrangement and responsibilities for putting up pledge rest firmly with the Pledger and a Pledgee.



Scheme to put up pledge

* If both a Pledger and a Pledgee hold securities A/C in a same licensed securities company, transfer process in YSX (NETT) and reporting to YSX will not be required.



Dealing with shareholders rights



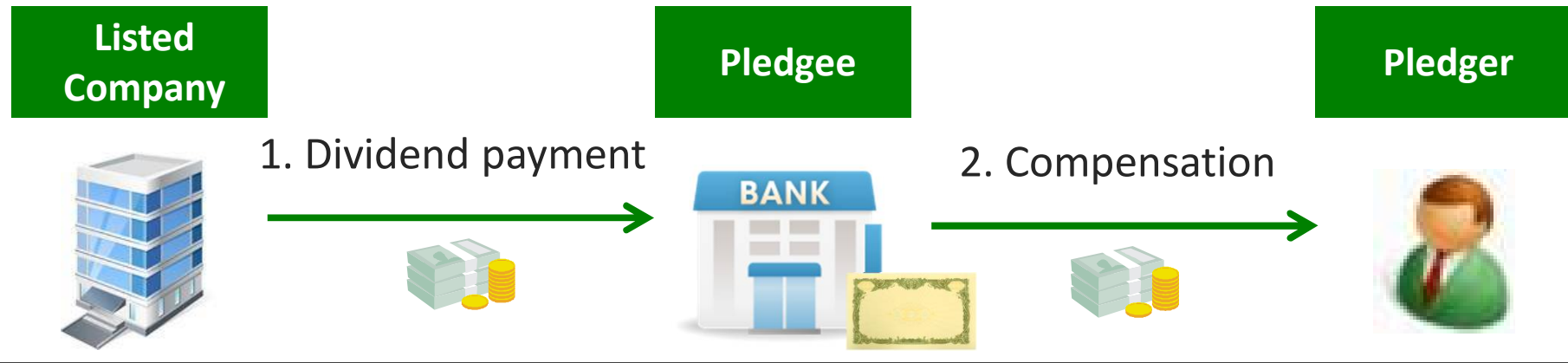
- Once transferring shares to a Pledgee's Securities A/C, the Pledgee is registered on a company's account book and deems to be a shareholder.
- Shareholders rights, such as receiving dividends or voting rights at a shareholders meeting, are entitled to a Pledgee, if the Pledgee is registered on a Record day.
- Dealing with shareholders rights rests with a contract between a Pledger and Pledgee.



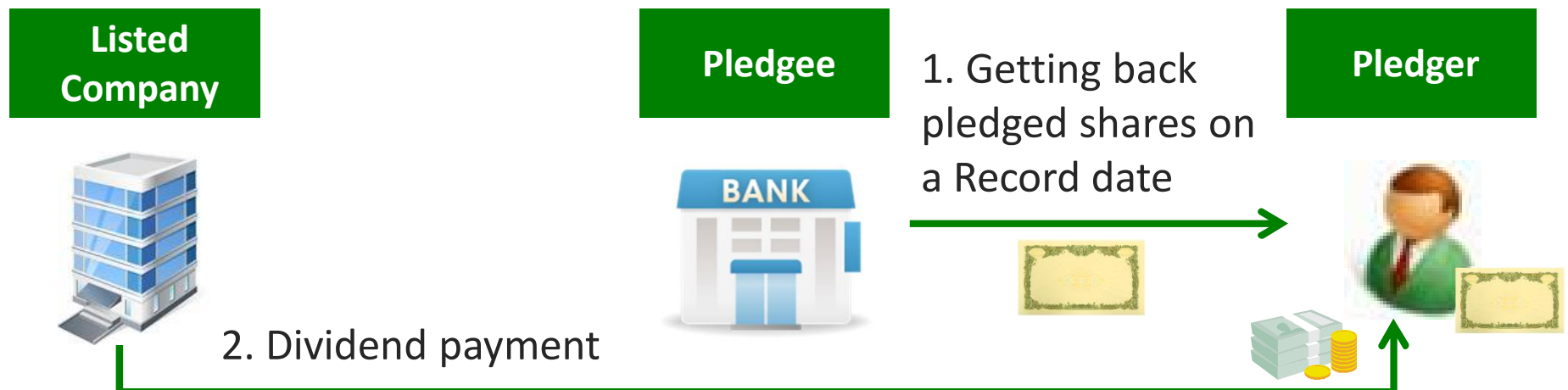
e.g. Dealing with shareholders rights

● Receiving dividend

(i) Pledgee to keep shares on a Record date



(ii) Pledgee to transfer shares to Pledger on a Record date

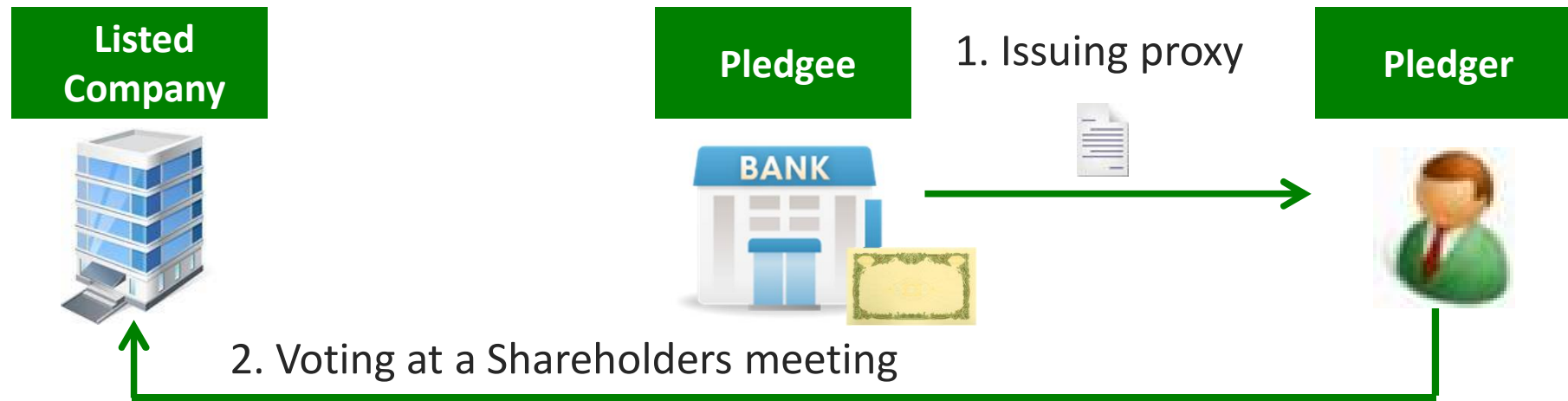


e.g. Dealing with shareholders rights (Cont'd)

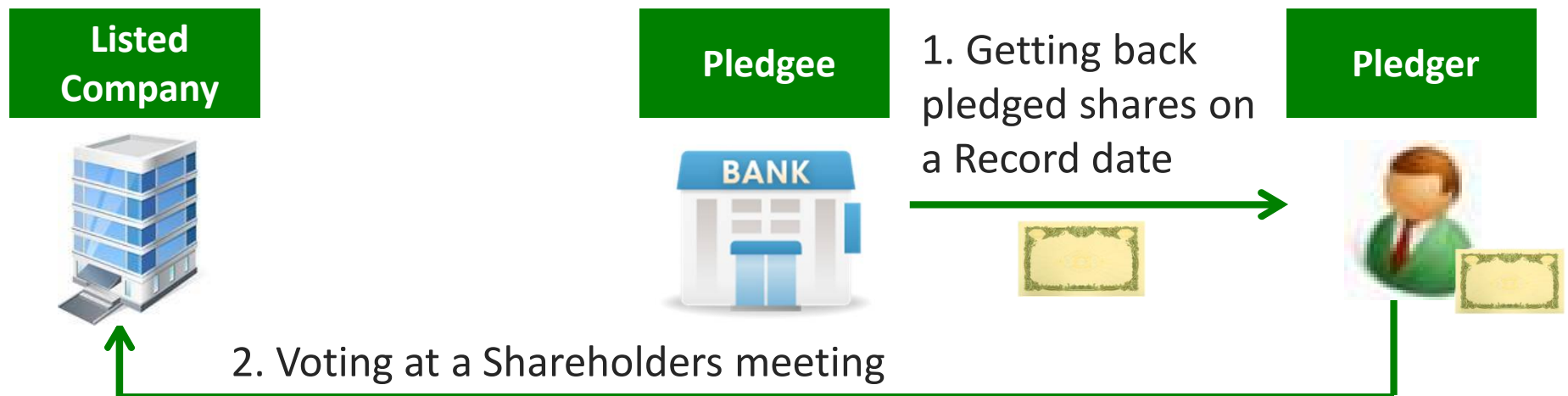


● Voting rights

(i) Pledgee to keep shares on a Record date



(ii) Pledgee to transfer shares to Pledger on a Record date



Scheme to terminate pledge



Licensed securities company

Pledgee



Pledger's A/C



3. Transferring pledged shares internally

Pledgee's A/C



Securities A/C
(+10 shares)

(Pledge) Securities A/C
(-10 shares)

2. Submitting an application to licensed securities company



Shareholder
(Pledger)

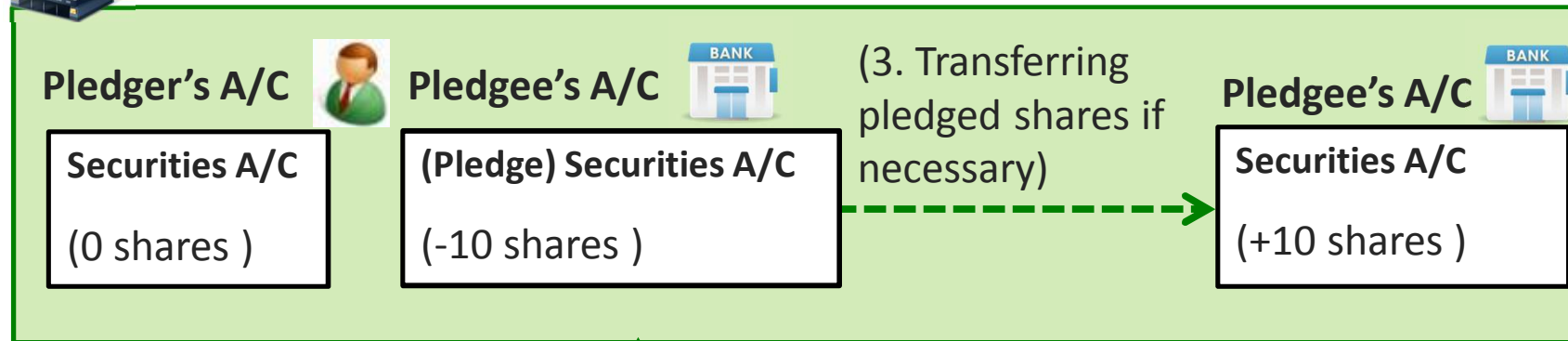


1. Making an agreement of termination

Scheme to foreclose pledge



Licensed securities company



Pledgee



2. Submitting an application to licensed securities company



* Lifting restriction on Pledgee's trading of pledged shares, if a securities company set the restriction at the time of putting pledge.

Shareholder (Pledger)



1. Notice to foreclose the pledge in accordance with the contract

