

Framework of NETT

18th January, 2018
Yangon Stock Exchange

I Purpose

Concerning Book-Entry Transfers for settlement of transactions other than exchange transactions (hereinafter referred to as “NETT”), in order to clarify the procedures, YSX shall establish rules to specify the cases where NETT is possible and procedures for request for NETT and make the necessary amendments to Business Regulations Relating to Book-Entry Transfers of Stock, etc. (hereinafter referred to as “Business Regulations for Book-Entry Transfers”).

II Outline

Item	Description	Remarks
1. Cases where NETT is possible	<ul style="list-style-type: none">○ In a case that falls under any of the following categories, a Book-Entry Transfer request concerning NETT may be made by an account holder to record a decrease in such account by Book-Entry Transfer to the Book-Entry Transfer Institution, etc., which opened such account.<ul style="list-style-type: none">①Book-Entry Transfers between the accounts of the same account holder②Book-Entry Transfers from a Special Account to an Account for Customer③Book-Entry Transfers due to inheritance or donation④Book-Entry Transfers between Accounts for Customers based on a basic contract wherein a listed company promises a director(s) or employee(s), or those equivalent thereto to continuously	<ul style="list-style-type: none">○ Section 29 (Procedures for Book-Entry Transfers for Settlement of Transactions Other than Exchange Transactions) in Chapter 2 (Handling of Book-Entry Transfer of Book-Entry Shares, etc.) Part3 (Book-Entry Transfer Procedures) of Business Regulations of Book-Entry Transfers shall be amended.○ Any transfers, as a general

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<p>2. Procedures for request for NETT</p>	<p>cooperate for the purpose of increasing the stable shareholder base.</p> <p>○ In the case of NETT, a Book-Entry Transfer request shall be made by an account holder to record a decrease in such account by Book-</p>	<p>principle, shall be conducted based on the market transaction and the Book-Entry transfers accepted for the purpose of increasing stable shareholders are exceptional. Hence, said transfers may be conducted among only contracting parties of said basic contract and may be executed up to once in a half year upon a joint application from said listed company and parties of said transfer. The conditions of the transfers shall be described in said basic contract.</p> <p>○ Section 29 (Procedures for Book-Entry Transfers for Settlement of Transactions Other than Exchange</p>

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	<p>Entry Transfer to the Trading Participant, which opened such account, with the format of request for NETT, indicating the reason for the Book-Entry Transfer and other necessary items.</p> <ul style="list-style-type: none"> ○ The format of request for NETT shall include the following items: <ul style="list-style-type: none"> ①Name and number of Book-Entry Shares to record a decrease or increase; ②An account in which to record the decrease; ③An account in which to record the increase; ④The reason for the Book-Entry Transfer; ⑤The corresponding provisions of the Business Regulations for Book-Entry Transfers; and ⑥The Book-Entry Transfer date ○ Upon receiving the request for NETT from the account holder, the Trading Participant shall verify that the reason for the Book-Entry Transfer is recorded in the format, and then submit the format to YSX and submit a copy of the format to SECM. ○ The Trading Participant and YSX shall execute the necessary procedures for Book-Entry Transfer of said NETT on the predetermined Book-Entry Transfer date. 	<p>Transactions) in Chapter 2 (Handling of Book-Entry Transfer of Book-Entry Shares, etc.) Part 3 (Book-Entry Transfer Procedures) of Business Regulations of Book-Entry Transfers shall be amended.</p> <ul style="list-style-type: none"> ○ SECM shall utilize information about the said request for the Book-Entry Transfer for the inspection in the Trading Participant.

III Schedule for Adoption

This framework shall be adopted immediately after the resolution of amendment of the Business Regulations by YSX Board of Directors meeting and approval of said amendment by SECM.

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