**Pledges**

For the pledge settings of valuable securities for the pledgor and the pledgee, TDCC has implemented pledge delivery through book-entry since May 2, 1994, providing the securities market with fast, convenient, and secure pledge delivery methods of pledge setting, cancellation, implementation, transfer, and balance transfer.

**Create a pledge**

To apply for the book-entry of pledge delivery, both the pledgor and the pledgee must open securities accounts. The pledgor holds the securities passbook and the original seal/signature and fills out the "Pledge Creation on Securities by Book-entry Application" Also, the application must be filed on the next business day (the third business day after the purchase) after the valuable securities purchased from the investor are transferred to the account. During the pledge settlement of valuable securities, the pledgor cannot apply for transactions such as withdraw, sale, and transfer.

**Extinguish a pledge**

When the participant of the pledgee uses a connected computer to notify to extinguish the pledge and the review is done, the originally pledged securities will be returned to the pledgor's account.

**Exercise pledge rights**

The pledgee conducts the pledge's auction and transfer, return, transfer of ownership, forced transfer, mandatory return, or commission of a fair third party to auction the pledge.

**Pledge Transfer**

When the pledgee transfers his pledge to others, causing the change of the pledgee or when the pledgor transfers his pledgor's identity to others, changing the pledgor.

**Pledge Balance Transfer**

The pledgor changes the account or applies for the transfer of the pledged property to continue, establish, assist the company with the application for the pledged balance transfer, or change the account due to the company merger, division, or business transfer.

For detailed operation procedures, please refer to "Taiwan Depository & Clearing Corporation Directions for the Handling by Participants of Book-Entry Operations for Pledge Delivery" on the official website of the Taiwan Depository & Clearing Corporation, under the Regulations-Securities category.