

(Translation)

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## **The Office of the Securities and Exchange Commission**

Notification of the Office of the Securities and Exchange Commission  
No. SorNor. 1/2548

Re: Rules for the Exercise of Fund's Voting Rights at the Shareholders' Meeting by  
the Management Company and Information Disclosure

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By virtue of Section 123 of the Securities and Exchange Act B.E. 2535 (1992) and Clause 2(1), Clause 8, Clause 10, Clause 12, Clause 18(6) and Clause 19 of the Notification of the Securities and Exchange Commission No. KorNor. 30/2547 Re: Rules, Conditions and Procedures for Establishment and Management of Funds dated 10 June 2004, the Office of the Securities and Exchange Commission hereby issues the following regulations:

**Clause 1.** This Notification shall come into force as from 16 January 2005.

**Clause 2.** In this Notification:

“Yearly report” means the yearly report under the Notification of the Association of Investment Management Companies governing rules and procedures for preparation of the reports on the management of provident funds for customers.

“Office” means the Office of the Securities and Exchange Commission.

## **Chapter 1**

### **Mutual Fund Management**

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**Clause 3.** In cases where the mutual fund management company invests in or holds shares of any companies as assets of a mutual fund, it shall exercise the shareholder's voting rights on behalf of the mutual fund in accordance with the following rules:

(1) Arrange to have clear guidelines for the exercise of voting rights to maintain the best interest of the mutual fund and the guidelines shall be approved by the board of directors of the mutual fund management company;

(2) Exercise voting rights at the shareholders' meeting concerning the matters which may materially affect the interest of the mutual fund;

(3) Arrange to have an effective operating system for monitoring the implementation of the exercise of voting rights;

(4) Disclose the guidelines referred in (1) and the exercise of voting rights referred in (2) to investors by using appropriate methods and in sufficient details;

(5) Arrange to keep documents and evidence with respect to the exercise of voting rights for a period of not less than five years from the date of voting in order for the Office or investors to examine or for submission to the Office upon request.

**Clause 4.** The mutual fund management company shall arrange to have a statement in the summary prospectus under warnings and recommendation for investment in investment units section that the investors can examine the guidelines for the exercise of voting rights as well as the implementation of the exercise of voting rights according to the methods disclosed by the mutual fund management company under Clause 3(4) hereof.

## Chapter 2

### Private Fund Management

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**Clause 5.** In cases where the private fund management company invests in or holds shares of any companies as assets of a private fund, and the customer authorizes such private fund management company to exercise the voting rights in such company on his behalf, the private fund management company shall proceed as follows:

(1) The private fund which is not a provident fund shall comply with Clause 3(1), (2), (3) and (5) *mutatis mutandis* and the private fund management company shall report its exercise of such voting rights thereafter to the customer;

(2) The private fund which is a provident fund shall comply with Clause 3 *mutatis mutandis*, and notify in the yearly report to the customer that the customer can examine the guidelines for the exercise of voting rights and the private fund management company's exercise of such voting rights according to the methods disclosed by the private fund management company.

**Clause 6.** In cases where the private fund management company invests in or holds shares of any companies as assets of a private fund, but the customer does not authorize such private fund management company to exercise the voting rights in such company on his behalf, the private fund management company shall proceed as follows:

(1) In case the private fund is not a provident fund, the private fund management company may present to the customer its opinion on the exercise of voting rights;

(2) In case the private fund is a provident fund, the private fund management company shall present its opinion on the exercise of voting rights to the provident fund committee, or ask for the authorization from the provident fund committee to vote on behalf of the provident fund.

Notified this 11<sup>th</sup> day of January 2005.

- Signature -

(Mr. Thirachai Phuvanatanarubala)

Secretary-General

The Office of the Securities and Exchange Commission