

(Translation)

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The Office of the Securities and Exchange Commission

Notification of the Office of the Securities and Exchange Commission

No. OrThor/Nor/Khor. 11/2548

Re: Practical Guideline on Application for Approval and Approval for Appointment of an Executive of a Derivatives Business Operator

Whereas Section 24 of the Derivatives Act B.E. 2546 (2003) and Clause 2 of the Notification of the Securities and Exchange Commission No. KorThor/Nor/Khor. 37/2548 Re: Qualifications and Prohibited Characteristics of an Executive of a Derivatives Business Operator dated 13 September 2005 stated that an appointment or the consent to have any person to be or to act as a director, manager or person with power of management of derivatives business operator must be approved by the SEC Office, the SEC Office hereby issues a guideline on application for approval and approval for appointment of an executive of a derivatives business operator as follows:

Clause 1. In this Notification:

“derivatives business operator” means a juristic person licensed to undertake derivatives businesses;

“executive” means the person appointed or consented by the derivatives business operator to be or to act as a director, manager or person with power of management;

“manager” means any person assigned by the board of directors of the securities company to be ultimately responsible for the management of the securities company regardless of what the title may be;

“person with power of management” means a deputy manager, an assistant manager, a division director, a branch manager, and any persons holding equivalent position called otherwise and such person shall be responsible for services relating to derivatives contract, derivatives operation, supervision of derivatives operation, or research relating to derivatives contract, regardless of the fact that such function provides services for other persons or for the benefit of the derivatives business operator, including a person who is authorized by the Board of Directors to be a member of a committee who performs the duty in management relating to derivatives business, such as risk management committee, investment committee, or operation supervision committee, etc.

Clause 2. As regard the application and approval for appointment of an executive of a derivatives business operator, the Office of the Securities and Exchange Commission hereby issues the following guidelines:

(1) in case where the derivatives business operator appoints a new person to be an executive of the company or in cases other than (2), the derivatives business operator shall proceed the followings:

(a) in case of an appointment of a person to be director or manager, the derivatives business operator shall submit an application for approval to the Office of the Securities and Exchange Commission together with supplementary documents in accordance with the form and procedure provided in the SEC's online system;

(b) in case of an appointment of a person as person with power of management, the derivatives business operator shall examine the qualifications of the person who would be a person with power of management; if such person has the qualifications and has no prohibited characteristics specified in Section 23 of the Derivatives Act B.E. 2546 (2003) and the Notification on qualifications and prohibited characteristics of an executive of a derivatives business operator, it shall be deemed that such person is approved by the SEC Office to be a person with power of management of the derivatives business operator.

(2) in case where the derivatives business operator changes the position or power in management of the person already approved by the SEC Office, from the position of manager to the position of director or from the position of a director with power in management to the position of a director without power in the management, it shall be deemed that such person is approved by the SEC Office to be an executive of the derivatives business operator in the new position or power; in addition, the derivatives business operator shall notify and submit a written documents specifying such change to the SEC Office within seven days from the effective date of the change specifying therein the effective date of such change.

Clause 3. The SEC Office shall notify the derivatives business operator of the outcome of the application for approval under Clause 2 (1) (a) within thirty days from the date of receipt of the valid and completed documents, except in case it is necessary to examine additional facts and the SEC Office has notified the derivatives business operator before the end of such thirty days period.

Clause 4. The approval for appointment of an executive of a derivatives business operator shall be terminated upon any of the following causes:

(1) in case the approval of the SEC Office has specified therein an effective period, such approval shall be terminated after the lapse of such period;

(2) in case such person has been vacated from the approved position due to any cause other than being revoked the approval by the SEC Office such as the expiration of the term of office and such person has not been re-appointed by the derivatives business operator, or due to the resignation from the position, and so on; the approval of the SEC Office shall be terminated on the effective date of vacancy from office;

(3) in case such person is revoked the approval by the SEC Office due to lack of qualifications or having any prohibited characteristics, the approval of the SEC Office shall be terminated on the effective date of the revocation of approval.

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Clause 5. When the grant of approval of the SEC Office for appointment of an executive of the derivatives business operator is terminated due to the cause under Clause 4 (3), the derivatives business operator shall remove such executive from the position or from office within a necessary and reasonable period of time without delay.

Clause 6. Upon receiving or deemed to have received the approval for appointment of an executive of the derivatives business operator, or upon the termination of such approval of the SEC Office, if the change of position of such person is required to be registered with the company-partnership registrar of the Ministry of Commerce, the derivatives business operator shall submit a copy of such registration certificate to the SEC Office within fifteen days from the date of registration undertaken by the company- partnership registrar.

Clause 7. This Notification shall come into force as from 1 November 2005.

Notified this 31st day of October 2005.

Thirachai Phuvanatanarubala
(Mr. Thirachai Phuvanatanarubala)
Secretary-General
The Office of Securities and Exchange Commission

(Translation)

Form 104-1/Or Por 24-1

Application Form for Approval of Appointment of Executives of a Securities
Company or a Derivatives Business Operator

.....Company
 Securities Business Derivatives Business

Letter No. Date

Attention: Secretary General
Office of the Securities and Exchange Commission

Re: Application for Approval of Appointment of an Executive of a
Securities Company or a Derivatives Business Operator.

The company wishes to apply
for approval of appointment of the following persons to hold executive positions
which are required the approval of the Office of the Securities and Exchange
Commission

<u>Name</u>	<u>Position</u>	<u>Managing power</u> <u>(with / without)</u>	<u>Independence</u> <u>(yes / no)</u>	<u>Full time</u> <u>(yes / no)</u>
.....
.....
.....

The company has already examined the *curriculum vitae* of the
persons above,

thereby certifies that the persons applied for approval to be
executives possess all qualifications without any prohibited characteristics
required for the executives under Section 103 of the Securities and Exchange Act
B.E. 2535 (1992) and the Notifications issued thereunder and/or under Section 24
in connection with Section 23 of the Derivatives Act B.E. 2546 (2003) and the
Notifications issued thereunder.

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O the company found that the following persons have certain prohibited characteristics, however, the company wishes to request for exemption from the Securities and Exchange Commission, as follows:

<u>Name</u>	<u>Prohibited characteristics requested for exemption</u>
.....
.....
.....

The company has hereto attached relevant documents and the form of curriculum vitae certification of the persons applied for approval to be executives of the company for the consideration, however, if the material facts of any data stated in this form or the form of curriculum vitae certification (form 104-2/Or Por 24-2) have been changed, the company shall inform the Office within seven days from the date the company knew or should have known of the change in such data.

Sincerely yours,

signed (authorized person)
(.....)

On behalf of the company

List of supplementary documents to the application for approval:

- O an organization chart of the company;
- O detail of scope of duties and responsibilities of the positions applied for approval;
- O photocopies of identity cards / photocopies of passports of the persons applied for approval;
- O photocopies of house register appearing the names of persons applied for approval;
- O photocopies of educational certificates of the persons applied for approval;
- O form of curriculum vitae certification (form 104-2/OrPor 24-2) of the persons applied for approval;
- O others (specify)

Remarks: In case such person has already been approved by the Office and this application is filed due to change of position/power in management/independence, photocopy of identity card/census registration/educational certificate are not required, unless such information has been changed.

(Translation)

Form 104-2/Or Por 24-2

Form of curriculum vitae certification of the person applied for approval to be an executive of a securities company or derivatives business operator.

..... Company

Securities Business

Derivatives Business

1. Data on the position applied for approval:

1.1 The position applied for approval:

Director:

having power having no power
director

independent

Manager:

1.2 Relationship with the shareholder or group of shareholder, such as being representative of such person, and so on:

yes (please specify in detail)

no;

1.3 Working in the position applied for approval:

full time

part time

2. Personal information in general: :

2.1 First name Last name
Former name (if any)

2.2 Date/month/year of birth, ageyears, gender....

2.3 Nationality

2.4 Identity card No. Expiry date

Passport No.

Country of issuance Expiry date

2.5 Marital status single married divorced

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2.6 Name of spouse
Former name (of spouse)
Occupation working place

2.7 Number of childrenpersons (if any) (in case of change of children's names, please also indicate their former names):

- 1) year of birth B.E.
- 2) year of birth B.E.
- 3) year of birth B.E.

2.8 Address appeared in the house register:

Address No. Moo No. Trok/Soi
Street Tambol/Khwaeng Ampoe/Khet.....
Province Postcode Telephone number
Name of householder Relationship

2.9 Present address of contact (if different from above, please fill in):

Address No. Moo No. Trok/Soi
Street Tambol/Khwaeng Ampoe/Khet.....
Province Postcode Telephone number
Name of householder Relationship

3. Information on level of education and working experience:

3.1 Highest level of education:

<u>Degree</u>	<u>Major</u>	<u>Name of Institution</u>	<u>year of graduate</u>
.....
.....

3.2 Working experience (during the past five years):

<u>Name of working place</u>	<u>Position</u>	<u>From-to</u>	<u>Reason of changing work/</u>
		<u>(Month/Year)</u>	<u>position</u>

- (1)
Details of duties and responsibility
- (2)
Details of duties and responsibility
- (3)
Details of duties and responsibility

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3.3 Additional Training

Having passed or being under a training course relating to the role, duties and responsibility of a director or an independent director:

Name of training course organizer period of Training (month/year)

.....
.....
.....

Never

4. Information of holding a position of and holding shares in other business, including the holding of position of an advisor of other securities company or securities investment company. (please fill details only in case of an application for approval to be an executive of a securities business licensee.)

Name of Company and Position
(in case of a director, please specify
managing with or without power)

Holding shares of his or her own
or spouse and non *sui juris*
children (percentage of the
paid registered capital of the
business)

.....
.....

5. Information relating to additional qualifications in case of application for approval to be an independent director:

5.1 Being a shareholder who holds more than five percent of voting right shares in a company, parent company, subsidiary, affiliate or being a person who may be in conflict:

yes (please specify in detail)

Name of Company amount (shares) proportion of shares
holding (%)

.....
.....
.....

no

5.2 Being an employee, officer, advisor with permanent salary or power of control of a company, parent company, subsidiary, affiliate or being a person who may be in conflict:

yes (please specify in detail)

name of company relationship/position (if any)

.....
.....
.....

no

(Translation)

5.3 Having blood relations or relationship by registration under the law in the nature of being parent, spouse, brother or sister, child or spouse of a child of an executive, a major shareholder, person with power of control or person who is proposed to be an executive or person with power of control of a company or subsidiary:

yes (please specify in detail)

name.....relationship.....

being an executive of theCompany

Name.....relationship.....

being the major shareholder of the Company

name.....relationship.....

being a person with power of control of the Company

name.....relationship.....

being person who is proposed to be an executive of the

..... Company

name.....relationship.....

being a person who is proposed to be the person with power of control of the company

no

5.4 Having business relationship with a company, parent company, subsidiary, affiliate or person who may be in conflict in such a way as to obstruct independent prudence or having other relationship in such a way as be unable to give independent opinion relating to the operation of a company:

yes (please specify in detail)

having relationship with the Company
nature of relationship

having relationship with theparent company
nature of relationship

having relationship with a subsidiary of Company
nature of relationship

having relationship with an affiliate of Company
nature of relationship

having relationship with a person who may be in conflict

.....

nature of relationship

no

(Translation)

6. Personal information relating to prohibited characteristics: (up to present)
- in case of application for approval to be an executive of a licensed securities business, fill in part 1 and part 3;
 - in case of application for approval to be an executive of a licensed derivatives business, fill in part 2 and part 3;
 - in case of application for approval to be an executive of a licensed securities and derivatives business, fill in every part;

Part 1

6.1 Being or having been a bankrupt:

yes no

6.2 Having been imprisoned by a final judgement of the court for an offence relating to property committed with dishonest intent:

yes no

6.3 Having been a director, manager or person with managing power of a financial institution whose license has been revoked:

yes

however, such case has already been granted exemption by the SEC;

pending application for exemption from SEC;

other cases (please specify).....

no

6.4 Being a director, manager or person with managing power of other securities company:

yes (please specify in detail)

Name of company.....

condition or time Clause of termination of office in such company.....

no

6.5 Having been removed from office of chairperson, director or manager under Section 144 or Section 145 or under the provisions of other laws:

yes no

6.6 Being a political official:

yes no

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6.7 Being a government official with the duties to supervise securities companies, an officer of the Bank of Thailand or of the Office:

yes

such case has been granted exemption due to:

the appointment has been made with the approval of the SEC for the purpose of assisting in the operation of a securities company;

the appointment has been made under Section 145;

the securities company in such case is a state enterprise under the law on budgetary procedures;

pending consideration of granting approval by the SEC for the purpose of assisting in the operation of a securities company.

other cases (please specify).....

no

6.8 Being a manager or a person with managing power of a partnership or a limited company in which he or she or the person or partnership or limited company under Section 258 (1), (2), (3), (4), (5) or (6) is a partner or shareholder:

yes

such case has been granted exemption due to:

being an advisor or a director without managing power of a securities company;

such case has been granted exemption by the SEC as being necessary to rectify the condition or operation of the securities company;

the appointment has been made under Section 145;

in such case all the shares held by him or her in a limited partnership have been less than one percent of the total amount of shares of the limited partnership;

in such case all the shares held by him or her in a limited company have been less than one percent of the total amount of the shares already sold.

other cases (please specify).....

No

Part 2

6.9 Being a bankrupt:

yes

no

6.10 Being a government official or an officer of State agency with the duties to supervise the derivatives business operators or financial institutions:

yes

no

(Translation)

Part 3

6.11 Being a person whose property is executed under the court's order, an incompetent person or a quasi incompetent person:

yes no

6.12 Being a person whose name is under the list of persons whom the Stock Exchange of Thailand is of the opinion that are not appropriate to be executives under the regulations of the Stock Exchange of Thailand:

yes no

6.13 pending under accusation or criminal proceedings by an agency having charge and control of the law, for an offence relating to unfair practice concerning securities or derivatives trading or administration amounting to deception, defraudation or corruption:

yes (please specify in detail)

for example, the date of being accused or under criminal proceedings

being charged of.....

.....

by (name of agency).....(document attached) (if any)

no

6.14 Pending under prohibition to be or act as a director, manager, or person with managing power or an advisor of a financial institution:

yes no

6.15 Pending under the period prescribed by an order of the Office to be suspended, revoked or prohibited to perform the duties of personnel in securities business or derivatives business in any position or nature of work:

yes no

6.16 Pending under the period prescribed by an order of the Office to be withdrawn from or be refused to put his or her name into the executives' names list in the database of the securities issuing companies due to having prohibited characteristics:

yes no

6.17 Pending under the period prescribed by an order of an authorized organization under a foreign law to be revoked or prohibited to perform the duties of personnel in securities business or derivatives business in any position or nature of work which is equivalent to that of the personnel in securities business or derivatives business:

yes no

(Translation)

6.18 Having been a director, manager or person with managing power of a financial institution who have participated in causing damage or must be jointly responsible for the damage occurring to such financial institution whose license has been revoked, or business has been controlled or operation has been ceased due to the status restoration plan or operation was not approved by an agency supervising such financial institution or the Commission of the Organization for Reformation of Financial Institution System or has been ordered to rectify the damaged financial position by decreasing capital and subsequently increased its capital under the assistance of a State agency or financial institution, unless exempted by the SEC:

yes

being or having been an executive of the Company who was considered by the concerned agency that he or she has participated in causing damage or might be responsible for the damage occurring to the above mentioned company, on (date).....

the detail of such incident

.....

.....(attachment) (if any)

granted exemption by the SEC;

pending application for exemption from the SEC;

no

6.19 Having been convicted by a final judgement of the court for an offence related to unfair practice concerning securities or derivatives trading or administration in the manner of deception, defraudation or corruption or having been settled the case with a fine due to the commission of such offence:

yes (please specify in detail)

the final judgement of the court, case pending adjudication No. /25.. and adjudicated case No...../25..

between..... and.....

for an offence of

Punishment inflicted

until (date)(attachment) (if any)

date of being settled the case with a fine.....

by (name of the agency)

for an offence of

under the law (attachment) (if any)

no

(Translation)

Apart from the above confirmed prohibited characteristics, we acknowledge that the Office also takes into account the following prohibited characteristics in considering of the appointment of the company's executive:

(1) there are reasonable grounds to believe that he or she is or having been reasonably suspected of malfeasance in the operation or service of securities business, derivatives business or any other business of financial service or participates or supports or having participated or supported such act of other person;

(2) there are reasonable grounds to believe that he or she is or having been reasonably suspected of being lack of ethics or standard of performance relating to (a) securities business prescribed by an agency or association connecting to securities business or (b) derivatives business prescribed by an association supervising derivatives business, as the case may be; or participates or supports or having participated or supported such act of other person;

(3) there are reasonable grounds to believe that his or her behavior inclines to be or has inclined to be dishonest or defraudation or participates or supports or having participated or supported such act of other person;

(4) there are reasonable grounds to believe that his or her behavior inclines to be or has inclined to be an unfair practice or taking advantage of the investor, or participates or supports or having participated or supported such act of other person;

(5) there are reasonable grounds to believe that he or she intentionally makes or has intentionally make false statements of material facts or conceal material facts which should have been stated in any document which is to be disclosed to the public or to be submitted to the Office, the SEC or the organization having the power to supervise financial institutions, or participates or supports or having participated or supported such act of other person;

(6) There are reasonable grounds to believe that he or she neglects or has neglected reasonable examination in order for preventing the juristic person or business which he or she has power of management or the operator under his or her supervision (if any) from any act or omission from any act which violates or is contrary to (a) the law on securities and exchange or the Notifications issued thereunder; or (b) the law on derivatives or the Notification issued thereunder; which may discredit securities or derivatives business in general or may cause damage to its reputation, status of business operation or client of such business, as the case may be.

(Translation)

7. Confirmation of the *curriculum vitae*.

I (Mr./Miss/Mrs.) hereby confirm that:

7.1 all the data in this *curriculum vitae* and attached documents are correct, complete and true. In this regard, if any data stated under heading No. 4, No. 5 or No. 6 has materially changed, I shall report the matter to the Office within seven days from the date of change in such data;

7.2 I understand the role, duties and responsibility of being an executive as appeared in the published document of the Office, Re: Manual of a Director of securities company, and I undertake to perform such duties.

(signed).....the owner of *curriculum vitae*

(.....)

Date.....

8. Certification of the securities company or derivatives business operator:

TheCompany hereby certify that all the data contained in this *curriculum vitae* is provided and signed by....., the owner of *curriculum vitae*, and the company has examined and found that such data are correct, complete and true.

(signed)..... authorized person

(.....)

For and on behalf of theCompany

Date.....

The list of supporting evidences for Form 104-2/Or Por 24-2:

(1)

(2)

(3)

(4)