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Notification of the Capital Market Supervisory Board
No. TorThor/Nor/Khor. 26/2551
Re: Rules, Conditions and Procedures for Being Executive of Securities
Companies

By virtue of Section 16/6 and Section 103 (4) of the Securities and Exchange Act B.E. 2535 (1992) as amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008) and Section 109 of the Securities and Exchange Act B.E. 2535 (1992) which contain certain provisions relating to the restriction of rights and liberties of persons which Section 29 in conjunction with Section 33, Section 34, Section 41, Section 43, Section 44 and Section 64 of the Constitution of the Kingdom of Thailand so permit by virtue of law, the Securities and Exchange Commission acting as the Capital Market Supervisory Board under Section 60 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008) hereby issues the following regulations:

Clause 1. In this Notification:

(1) “Securities company” means any company licensed to undertake securities business;

(2) “Executive” means director, manager or person with power of management;

(3) “Person with power of management” means executive director, deputy manager, assistant manager, department director, branch manager and shall also mean any person holding equivalent position called otherwise and such person shall be responsible for a line of work relating to provision of securities services, securities operation or research on securities or capital markets or other similar lines of work, regardless of whether the operation of such line of work is to provide services for other persons or for the benefit of the company itself;

(4) “Executive director” means any person who is appointed by the board of directors as executive director or authorized to make decisions on company’s business operation on behalf of the board of directors;

(5) “Department director” means any person who is responsible for the internal operation of a department in the company.

Clause 2. A securities company may appoint or allow another securities company’s executive to be or perform duty as its executive or advisor upon being granted approval from the Office on condition that the securities company is able to demonstrate establishment of the organizational structure which does not cause

conflicts of interest or provision of an effective measure to prevent such conflicts of interest. In the case where an executive holds a position required to work on a full-time basis, the executive shall take such position at only one securities company.

Clause 3. In applying for approval under Clause 2 , a securities company intending to obtain approval shall submit an application to the Office, together with documents and evidence as per the forms and procedures provided in the electronic work system of the Office.

The Office shall notify the securities company of the result of consideration of the application within thirty days from the date in which the Office receives the documents and evidence in full from the securities company, except in the case where there is a necessity to conduct further inspection of any facts and the Office has informed the securities company of such necessity prior to the end of such period of time.

Clause 4. In the case where there appears later a change of any material information provided in the application filed with the Office, the securities company shall notify the Office within fourteen days from the date of the change of such information.

In the case where the Office considers that such change of information results in non-compliance with the rules specified under Clause 2, the Office shall notify the securities company of the termination of approval. In this regard, the provision in the second paragraph of Clause 3 shall apply, *mutatis mutandis*.

Clause 5. This Notification shall come into force as from 16 November 2008.

Notified this 5th day of November 2008.

(Vijit Supinit)

Chairman

The Securities and Exchange Commission

Remark: The rationale for issuing this Notification is to prescribe the rules for appointing or allowing director, manager or person with power of management of one securities company to be or perform duty as director, manager or person with power of management or advisor of another securities company, which is in support of financial conglomerate of securities businesses, bringing about flexibility in business operation as well as greater competitiveness, and in line with the trend towards consolidated supervision of financial institutions of the Bank of Thailand.