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Notification of the Capital Market Supervisory Board
No. TorThor/Nor/Khor. 58/2552
Re: Qualifications and Other Prohibited Characteristics of Directors and Executives of Securities Companies
(Codified)

By virtue of Section 16/6 of the Securities and Exchange Act B.E. 2535 (1992) as amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008), Section 103(9) and (10), and Section 109 of the Securities and Exchange Act B.E. 2535 (1992) which contain certain provisions in relation to restriction of rights and liberty 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 permits by virtue of law, the Securities and Exchange Commission acting as the Capital Market Supervisory Board pursuant to 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 manager or person with power of management;

(2/1)¹ “manager” means any person assigned by the board of directors of the company to be ultimately responsible for the management of the company regardless of what the title may be;

(3)² “person with power of management” means a deputy manager, an assistant manager, a departmental director, a branch manager, and also means any persons holding equivalent position called otherwise, and such person shall be responsible for a line of work relating to securities services, securities operation, supervision of securities operation, or research on securities or capital markets, or other similar lines of work regardless of the fact that such function provides services for other persons or for the benefit of the company itself, including a person who is a member of a committee which performs

¹ Added by the Notification of the Capital Market Supervisory Board No. TorThor/Nor/Khor. 5/2553 Re: Qualifications and Other Prohibited Characteristics of Directors and Executives of Securities Companies (No.2) dated 1 February 2010.

² Repealed and replaced by the Notification of the Capital Market Supervisory Board No. TorThor/Nor/Khor. 5/2553 Re: Qualifications and Other Prohibited Characteristics of Directors and Executives of Securities Companies (No.2) dated 1 February 2010.

the duty of securities business management such as a risk management committee, an investment committee, or an operation supervisory committee, or advisor to such committees.

(4)³ Repealed. (4)

(5) “departmental director” means any person who is responsible for the operation at a departmental level in the company;

(6) “work experience” means work experience in a financial institution or other organizations in a line of work relating to money market or capital market, or work experience in the management level that is beneficial to management of securities business, or work experience as an academic expert or professional in accounting, finance, business administration, economics or law.

Clause 2. The directors and executives of the securities company shall have the following qualifications:

(1)⁴ having the academic qualifications and work experience in accordance with the following criteria unless a waiver has been obtained from the SEC Office:

(a) any director who is an authorized signatory of the company, independent director, manager, or any person holding equivalent position called otherwise shall:

1. possess a bachelor’s degree or higher or an equivalent degree certified by the Office of the Civil Service Commission with at least three-year work experience; or

2. possess a degree lower than a bachelor’s degree with at least five-year work experience;

(b) any deputy manager, assistant manager, departmental director, branch manager, a person who is a member of a committee which performs the duty of securities business management, or any other equivalent positions called otherwise shall:

1. possess a bachelor’s degree or higher or an equivalent degree certified by the Office of the Civil Service Commission with at least one-year work experience; or

2. possess a degree lower than a bachelor’s degree with at least three-year work experience.

(2) An independent director shall:

³ Repealed by the Notification of the Capital Market Supervisory Board No. TorThor/Nor/Khor. 5/2553 Re: Qualifications and Prohibited Characteristics of Directors and Executives of Securities Companies (No.2) dated 1 February 2010.

⁴ Repealed and repealed by the Notification of the Capital Market Supervisory Board No. TorThor/Nor/Khor. 38/2553 Re: Qualifications and Prohibited Characteristics of Directors and Executives of Securities Companies (No.3) dated 15 September 2010.

(a) hold shares of not more than five percent of the total shares with voting rights of the securities company, parent company, subsidiary company, affiliate company or person who may have conflicts of interest;

(b) not be an employee, staff, advisor who earns salary, or controlling person of the securities company, parent company, subsidiary company, affiliate company, or person who may have conflicts of interest;

(c) not be a parent, spouse, brother, sister and child including spouse of child, either by blood or by law, of the executive, major shareholder, controlling person or the candidate for the position of director, executive or controlling person of the securities company or its subsidiary;

(d) not have a business relationship with the securities company, parent company, subsidiary company, affiliate company or person who may have conflicts of interest that may impede the exercise of independent judgment, and not have any characteristics that cause the inability to freely give comments on the operation of the securities company;

The words “parent company,” “subsidiary company,” “affiliate company,” “person who may have conflicts of interest,” “major shareholder” and “controlling person” according to the first paragraph (2) shall, *mutatis mutandis*, have the same meaning as defined in the Notification of the Securities and Exchange Commission on filing and exemption from filing of registration statement for securities offering.

(3)⁵ Repealed. (3)

The provision under the first paragraph shall not apply to the executives of the securities company licensed to undertake securities business in the category of mutual fund management for foreign investors or the exempted person under Section 103(7).

Clause 3. The directors and executives of the securities company shall not have any of the prohibited characteristics as specified by the Notification of the Capital Market Supervisory Board governing the prohibited characteristics of the personnel in securities business.

In cases where there appears the fact that any director or executive of the securities company possesses any prohibited characteristics, the SEC Office shall proceed as prescribed by the Notification of the Capital Market Supervisory Board governing the prohibited characteristics of the personnel in securities business.

⁵ Repealed by the Notification of the Capital Market Supervisory Board No. TorThor/Nor/Khor. 5/2553 Re: Qualifications and Other Prohibited Characteristics of Directors and Executives of Securities Companies (No.2) dated 1 February 2010.

Clause 4.⁶ Repealed.

Clause 5.⁷ Repealed.

Clause 6. The provision under Clause 2(1)(b) shall not apply to the person holding the position of branch manager or other equivalent positions called otherwise prior to the date of 1 March 2005.

Clause 7. Any Notifications of the Office of the Securities and Exchange Commission, orders and circulars issued under or prescribing guidelines for compliance with the Notification of the Securities and Exchange Commission No. KorThor/Nor/Khor. 4/2548 Re: Qualifications and Other Prohibited Characteristics of the Executives of Securities Companies dated 17 January 2005 which have been in effect prior to the effective date of this Notification shall remain in full force to the extent that they are not inconsistent with nor contrary to the provisions of this Notification until notifications, orders and circulars issued under or prescribing guidelines for compliance with this Notification come into force.

Clause 8. Any reference made in any other notifications to the Notification of the Securities and Exchange Commission No. KorThor/Nor/Khor. 4/2548 Re: Qualifications and Other Prohibited Characteristics of the Executives of Securities Companies dated 17 January 2005 shall mean reference to this Notification.

Clause 9. This Notification shall come into force as from 1 September 2009.

Notified this 3rd day of August 2009.

(Vijit Supinit)

Chairman

Securities and Exchange Commission

⁶ Repealed by the Notification of the Capital Market Supervisory Board No. TorThor/Nor/Khor. 38/2553 Re: Qualifications and Other Prohibited Characteristics of Directors and Executives of Securities Companies (No.3) dated 15 September 2010.

⁷ Repealed by the Notification of the Capital Market Supervisory Board No. TorThor/Nor/Khor. 38/2553 Re: Qualifications and Other Prohibited Characteristics of Directors and Executives of Securities Companies (No.3) dated 15 September 2010.

Remarks: The rationale for issuing this Notification is that the Securities and Exchange Act (No.4) B.E. 2551 (2008) stipulates that the prescription of the rules concerning qualifications and other prohibited characteristics of the executives of securities companies shall be the power of the Capital Market Supervisory Board; therefore, it deems appropriate to issue this Notification to replace the Notification of the Securities and Exchange Commission No. KorThor/Nor/Khor. 4/2548 Re: Qualifications and Other Prohibited Characteristics of the Executives of Securities Companies dated 17 January 2005.

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Footnote Index:

No.	Notified Date	Notification No.	Subject	Contents	Status
Main Notification	3 August 2009	The Capital Market Supervisory Board No. TorThor/Nor/Khor. 58/2552	Qualifications and Other Prohibited Characteristics of Directors and Executives of Securities Companies		In use (effective as from 1 September 2009)
1	1 February 2010	The Capital Market Supervisory Board No. TorThor/Nor/Khor. 5/2553	Qualifications and Other Prohibited Characteristics of Directors and Executives of Securities Companies (No. 2)	Amending the Notification No. TorThor/Nor/Khor. 58/2552 as follows: 1. add (2/1) of Clause 1 2. amend (3) of Clause 1 3. repeal (4) of Clause 1 and (3) of Clause 2	In use (effective as from 1 February 2010)
2	15 September 2010	The Capital Market Supervisory Board No. TorThor/Nor/Khor. 38/2553	Qualifications and Other Prohibited Characteristics of Directors and Executives of Securities Companies (No. 3)	Amending the Notification No. TorThor/Nor/Khor. 58/2552 as follows: 1. amend (1) of Clause 2 2. repeal Clause 4 and Clause 5	In use (effective as from 1 October 2010)