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Notification of the Capital Market Supervisory Board

No. ThorNor. 22/2552

**Re: Rules, Conditions and Procedures for Establishment and Management of
Mutual Funds for Solving Financial Institution Problems**

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), and Section 117 of the Securities and Exchange Act B.E. 2535 (1992) which contain certain provisions in relation to 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 permits by virtue of law, the Securities and Exchange Commission, acting as the Capital Market Supervisory Board, by virtue of 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) “mutual fund” means any mutual fund established by a management company to sell investment units to institutional investors with a main objective of using the funds raised through selling of investment units to invest in the assets or loans arising from the undertaking of financial institution business, either with or without collateral, provided that such investment is intended to solve problems in the financial institution system.

(2) “financial institution” means any financial institution under the law governing interests on lending of financial institutions established under specific law or incorporated under Thai law and shall include such financial institutions whose operations were closed or licenses were revoked and whose major creditor is the Financial Institutions Development Fund.

(3) “management company” means any securities company licensed to undertake securities business in the category of mutual fund management.

(4) “investment unit” means any instrument or evidence representing the right over a mutual fund’s assets which may be divided into multi-classes, each of which with equivalent rights or benefits.

(5) “institutional investor” means any investor who has specific characteristics as follows;

- (a) commercial bank;
 - (b) finance company;
 - (c) securities company which purchases investment units for proprietary portfolio or for management of private funds or for management of investment schemes established under the law governing the undertaking of finance, securities and credit foncier businesses;
 - (d) credit foncier company;
 - (e) insurance company;
 - (f) juristic person established under specific law, which is not a person under (i);
 - (g) Bank of Thailand;
 - (h) international financial institution;
 - (i) government agency and state enterprise under the law governing budgetary procedures;
 - (j) Financial Institutions Development Fund;
 - (k) Government Pension Fund;
 - (l) provident fund;
 - (m) mutual fund under the Securities and Exchange Act B.E. 2535 (1992);
 - (n) juristic person which has securities investment in the amount of one hundred million baht or more according to the audited financial statements for the most recent year;
 - (o) juristic person in which persons under (a) to (n) hold shares in an aggregate number of more than seventy five percent of total shares with voting rights;
 - (p) foreign investor who has the same characteristics as those under (a) to (o);
 - (q) investor who is not a person under (a) to (p) and purchases investment units in the amount of ten million baht or more.
- (6) “scheme” means a mutual fund scheme.
 - (7) “fund supervisor” means a supervisor of a mutual fund.
 - (8) “registrar” means a registrar of investment units of a mutual fund.
 - (9) “advisor” means any person who renders advice or recommendations to a management company in relation to the investment in the assets or loans arising from the undertaking of financial institution business, either with or without collateral, for the purpose of mutual fund management.

(10) “fund manager” means any person who is responsible for making decisions regarding investments in or disposals of securities or other assets, benefits generated by other means, or loans arising from the undertaking of financial institution business, excluding unitholders or their designated person who is responsible for making decisions to invest in or dispose of loans arising from the undertaking of financial institution business as specified in the scheme.

(11) “association” means an association relating to securities business, which has been approved by and registered with the SEC Office, whose main objective is to promote and develop securities businesses in the category of investment management.

(12) “auditor” means an auditor who is qualified under the notification of the Office of the Securities and Exchange Commission concerning rules on granting approval of auditor of securities companies and finance companies.

Clause 2. In managing the mutual fund having been approved to be established and managed pursuant to the notification of the Securities and Exchange Commission No. KorNor. 16/2541 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 24 May 1998 and having had its pool of assets registered as a mutual fund with the SEC Office before the effective date of this Notification, the management company shall comply with the rules, conditions and procedures specified under this Notification.

Clause 3. The management company shall ensure that the mutual fund maintains the following qualifications throughout the maturity of the scheme:

(1) Unitholders of the mutual fund shall comprise at least ten institutional investors except for the mutual funds being granted an exemption by the SEC Office before the effective date of this Notification, in which case the management company is allowed to maintain the component of unitholders in accordance with such exemption;

(2) The mutual fund units shall be non-redeemable;

(3) Other qualifications as prescribed by the SEC Office.

Clause 4. The management company shall arrange the following documents to be kept:

(1) The commitment between the unitholders and the management company which shall contain at least the material contents pursuant to Section 119 and as specified under Clause 8.

(2) The fund supervisor appointment agreement and joint management agreement, if any.

(3) The scheme’s details to be kept at all places of business of the management company for inspection by institutional investors and a copy of which shall be provided upon request up until the registration for dissolution of mutual fund has been made.

Clause 5. The management company shall arrange to have a fund supervisor who is qualified under the notification of the Office of the Securities and

Exchange Commission concerning qualifications of a fund supervisor of mutual fund. The fund supervisor shall not be changed by the management company on whatever grounds unless with prior approval from the SEC Office.

In cases where the fund supervisor lacks any qualifications, the management company shall arrange the fund supervisor to rectify its qualifications within fifteen days from the date on which the issue has been found by the management company or by inspection of the SEC Office, and the management company shall report the SEC Office within three business days from the date on which the issue has been rectified.

If the fund supervisor fails to rectify within the period specified under the second paragraph, the management company shall apply for approval to change the fund supervisor with the SEC Office within fifteen days from the end of the rectification period. Upon being granted an approval, the management company shall appoint the new fund supervisor immediately unless the SEC Office instructs otherwise.

Clause 6. In cases where the management company sells investment units to any unitholder in excess of one third of the total outstanding investment units of the mutual fund, the management company shall not invest in or acquire the loan to which such unitholder is a creditor to be an asset of the mutual fund in excess of one third of the total net asset value of the mutual fund, provided that the total number of investment units held by the creditor of the loan shall not exceed fifty percent of the total outstanding investment units of the mutual fund.

If it appears later that any unitholder who is a creditor of the loan holds investment units exceeding one third of the total outstanding investment units of the mutual fund as prescribed under the first paragraph, the management company shall reduce the investment portion or possession in such loan to not exceed one third of the net asset value of the mutual fund within sixty days from the date on which such excessive investment or acquisition occurs, or arrange for the unitholder to reduce his investment unit holding to be not more than one third of the total outstanding investment units of the mutual fund within sixty days from the date of excessive holding.

In cases where the management company is unable to comply with the second paragraph within the specified period of time, it shall dissolve the mutual fund.

The calculation of the number of investment units or the value of assets invested in or acquired under the first and second paragraph shall include investment units and the value of assets of the connected person as prescribed by the SEC Office and in cases where the investment units are classified by the category of assets being invested in or acquired, the proportion of investment units or the value of assets being invested in or acquired under the first and second paragraph shall be considered separately by the class of investment units and assets.

Where it appears that any person holds ownership in investment units or loans with an intention to allow interests, rights or benefits of investment units or loans to be vested in any unitholder in avoidance of the rules under the first, second or fourth paragraph, the SEC Office may order the management company to dissolve the mutual fund.

Clause 7. The management company shall set the maturity date of the scheme to be no later than 31 August 2015.

Clause 8. The commitment between the unitholders and the management company shall contain at least the material contents pursuant to Section 119 and the restriction on transfer of investment units under which the management company or the registrar shall reject the registration of investment unit transfer in the following cases:

(1) Where the investment unit transfer will result in the number of unitholders of the mutual fund being less than the prescribed number or less than the amount granted under waiver pursuant to Clause 3(1);

(2) Where the investment unit transfer is made to other persons who are not institutional investors.

Clause 9. In cases where the management company specifies in the scheme that the investment unit certificate will be issued to unitholders, such certificate shall contain at least the following particulars:

(1) words indicating that it is investment unit, the name, type and maturity of the scheme (if any);

(2) par value and amount of the investment units and scheme capital;

(3) name of unitholder;

(4) investment unit number and amount of units held;

(5) date of issuance of investment unit;

(6) statement on transfer restriction of investment unit as specified under Clause 8;

(7) name and address of the management company;

(8) name and address of the fund supervisor;

(9) signatures of persons who have the power to sign to bind the management company and the company seal or signature of the registrar, as the case may be.

Clause 10. The management company shall not collect or accept from the unit subscribers, the unitholders or the mutual fund any fee or compensation other than the fee or compensation at the rates and methods provided for in the scheme.

In cases where the management company appoints an advisor, it may collect expenses arising out of the appointment of the advisor from the mutual fund.

Clause 11. The management company shall notify the registrar of the investment unit transfer restrictions prescribed in the commitment between the unitholders and the management company pursuant to Clause 8.

In cases where the registrar accepts for registration a transfer of investment units in violation of the restrictions of investment unit transfer prescribed in the commitment between the unitholders and the management company pursuant to Clause 8, the management

company shall have the registrar revoke such registration of investment unit transfer without delay.

Clause 12. In managing the mutual fund, the management company shall appoint a fund manager to be in charge of managing investments of the mutual fund. In this regard, the management company shall comply with the notification of the Office of the Securities and Exchange Commission concerning rules, conditions and procedures for appointment and performance of duties of a fund manager *mutatis mutandis*.

Clause 13. The management company may invest in or possess any of the following assets for the purpose of liquidity management of the mutual fund:

- (1) bonds;
- (2) treasury bills;
- (3) bank deposit or certificate of deposit;
- (4) bills of exchange or promissory notes;
- (5) shares;
- (6) debentures;
- (7) investment units or warrants to purchase investment units of a mutual fund;
- (8) securities or debt instruments with repurchase agreement;
- (9) other securities or assets prescribed by the SEC Office.

The management company shall not invest in or possess the said assets under the first paragraph in excess of the proportions prescribed by the SEC Office.

Clause 14. Investment in loan arising out of the undertaking of financial institution business shall be an acceptance of assignment from the financial institution that lends to debtors or from agencies established for managing non-performing loans of financial institutions under the law or the government's policy such as the Asset Management Corporation and asset management companies.

Clause 15. The management company may acquire the assets under the category in which the mutual fund cannot invest or possess by way of repayment of debt, foreclosure of mortgaged property or purchase from public auction of property placed as collateral under debt securities or loan in which the management company has invested in or possessed as an asset of the mutual fund.

The management company shall dispose of the asset acquired under the first paragraph as soon as the first opportunity arises, by taking into account the best interest of unitholders, but in any case no later than five years from the acquisition date of such asset.

Clause 16. In cases where the management company acquires land under clause 15, it shall not:

- (1) allocate such land;

(2) develop real estate on such land in the manner of adding supply in real estate sector except that such development is to improve or to safeguard the land or for the purpose of disposing such land such as construction of fence or entrance improvement, etc.

Clause 17. Investments in the loan in accordance with Clause 14 or in other assets for solving financial institution problems shall comply with the following rules:

(1) The management company shall acquire or possess the said loan or other asset in aggregate of not less than seventy five percent of the net asset value of the mutual fund at the last date of the annual accounting period except for the following cases:

- (a) In the last accounting period before the maturity of the scheme;
- (b) In the accounting period in which the said loan or other asset has been disposed.

The calculation of the percentage under the first paragraph shall include the asset acquired by the mutual fund under Clause 15.

(2) The management company shall not make additional investments in the said loan or other assets upon the lapse of five years from the registration date of the mutual fund.

In cases where the management company avoids complying with the first paragraph, the SEC Office may order the management company to dissolve the mutual fund.

Clause 18. The management company shall generate benefits from the real estate or leasehold right acquired by the mutual fund under Clause 15 only in the following manners:

(1) Leasing or sub-leasing rentable area directly to tenants or to a business operator to generate benefits from the real estate, and in case of leasing or sub-leasing of land, the management company shall not allow lessees or sub-lessees to develop real estate thereon in the manner of adding supply to the real estate sector;

(2) Generating benefits by any other means similar to (1) as approved by the SEC Office.

Where the benefit under (1) is generated by leasing or sub-leasing, as the case may be, the management company shall charge reasonable rent, taking into account conditions of the property leased by the mutual fund.

Clause 19. The management company shall submit information in relation to the assets of the mutual fund under the following rules:

(1) A summary report containing material information in relation to the acquisition or disposal of the loan under Clause 14, the assets acquired under Clause 15 and other assets invested to solve financial institution problems shall be sent to unitholders within fifteen days from the date of acquisition or disposal of such assets, provided that the summary report shall at least contain the information on the prices at which such assets are acquired or disposed;

(2) A report displaying the investment ratio under Clause 17(1) of the mutual fund as at the end of an accounting period shall be submitted to the SEC Office within forty five days from the last date of the accounting period. The information shall be classified by asset category.

Clause 20. The management company shall calculate the asset value, the net asset value and the investment unit value of the mutual fund as at the last business day of June and December and shall proceed as follows:

(1) Notify the fund supervisor of the values so calculated within the next business day from the calculation date to have the fund supervisor certify that the calculation is made in accordance with the rules prescribed under this Notification;

(2) Notify the values certified by the fund supervisor under (1) to unitholders and the SEC Office within five business days from the calculation date.

Where the management company cannot complete such value calculation on the last business day of June and December on necessary and reasonable grounds, such as in case of investment in the loan arising out of the undertaking of financial institution business which involves a large number of agreements and requires a reasonable period of time to value the loan, the SEC Office may consider granting a waiver to comply with the provisions under (1) and (2) of the first paragraph.

Clause 21. In case of occurrence of any event or change after the calculation date under Clause 20 that significantly affects the assets of the mutual fund, the management company shall notify unitholders thereof.

Clause 22. The calculation of the asset value, net asset value and value of investment unit of the mutual fund under Clause 20 shall be made in accordance with the rules and methods determined by the association with an approval of the SEC Office.

During the time when the rules and methods for value calculation under the first paragraph have not been provided for by the association, the management company shall set the asset price at the fair value with an approval of the fund supervisor or as resolved by a majority of votes of unitholders holding in aggregate more than one half of the total outstanding investment units of such mutual fund.

Clause 23. The management company shall prepare an annual report of the mutual fund for the year ended December and submit the said report to all unitholders whose names appear in the register of unitholders and to the SEC Office within three months from the end of December. The report shall incorporate at least the following particulars:

(1) A list by category of assets invested in or acquired in respect of debt repayment or enforcement of collaterals, together with the value of assets, the net asset value and the value of investment units as at the last business day of the year;

(2) Gain or loss from disposal of real estate or assignment of loans secured by real estate;

(3) The latest audited and opined financial statements;

(4) Comparative balance sheets and statements of profit and loss between the current year and previous year;

(5) The fund supervisor's opinion in relation to the operations of the mutual fund during the last one-year period.

Clause 24. Dividend paid by the management company from the net profit derived from the sale or disposal of the loan in accordance with Clause 14 shall not be more than two thirds of the net profit after expenses.

Clause 25.¹ The management company may reduce the capital of the mutual fund by way of reducing the number of investment units and the return of capital shall be paid in cash or in kind pursuant to the rules prescribed under Clause 25/1 and Clause 25/2, as the case may be.

Clause 25/1.² With respect to the capital reduction by payment in cash in whole, the management company shall arrange to reduce the number of investment units and return the capital amount to each unitholder proportionately to his respective unit holdings as listed in the register of unitholders as at the date on which the register is closed for transfer of investment units (closure date). The unit value for the capital reduction shall be calculated from the net asset value of the mutual fund as at the closure date.

³The management company shall apply to register the capital reduction of the mutual fund with the SEC Office in the form provided for on the website of the SEC Office within five business days from the date of completing the arrangements under the first paragraph. Such application shall be signed by authorized directors of the company, or in case of authorization, the signatories shall hold the position of departmental director or equivalent position called otherwise being in charge of the field of work related to establishment of the said mutual fund.

⁴Where the scheme requires that a resolution of unitholders approving the reduction of capital must be obtained, the management company shall proceed as follows:

(1)⁵ Send a notice of a meeting of unitholders or make a written request to unitholders to obtain a resolution, the notice or written request of which shall contain at least the following particulars:

¹ Repealed for purpose of amendment by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

² Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

³ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

⁴ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

(a)⁶ The amount of capital and the number of investment units to be reduced for each unitholder;

(b)⁷ A proposed capital reduction plan and an opinion of the management company regarding rationale and necessity for the capital reduction as well as impacts on unitholders and the net asset value of the mutual fund following the capital reduction;

(c)⁸ The closure date of the register of unitholders for transfer of investment units for the purpose of reduction of the number of investment units.

(2)⁹ Obtain a resolution approving the reduction of capital by a majority of votes of unitholders holding in aggregate more than one half of the total outstanding investment units of the mutual fund.

Clause 25/2.¹⁰ With respect to the capital reduction by payment in kind, whether in part or in whole, the management company shall, upon obtaining approval by a unanimous resolution of all unitholders, reduce the number of investment units of unitholders and transfer any asset or deliver money, if any, to unitholders as resolved.

¹¹The management company shall apply to register the capital reduction of the mutual fund with the SEC Office in the form provided for on the website of the SEC Office within five business days from the date of completing the arrangements under the first paragraph. Such application shall be signed by authorized directors of the company, or in case of authorization, the signatories shall hold the position of departmental director or equivalent position called otherwise being in charge of the field of work related to establishment of the said mutual fund.

⁵ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

⁶ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

⁷ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

⁸ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

⁹ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁰ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹¹ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹²In requesting a resolution of unitholders under the first paragraph, the management company shall send a notice of a meeting of unitholders or make a written request to unitholders to obtain a resolution, the notice or written request of which shall contain at least the following particulars:

(1)¹³ The amount of capital and the number of investment units to be reduced for each unitholder;

(2)¹⁴ A proposed capital reduction plan and an opinion of the management company regarding rationale and necessity for the capital reduction as well as impacts on unitholders and the net asset value of the mutual fund following the capital reduction;

(3)¹⁵ Assets to be returned, names of unitholder to be transferred of each asset and prices of such asset including a price of acquisition thereof, price according to a valuation report prepared by the valuer approved by the SEC Office and not more than six months from the capital reduction date and the price used in transferring such asset to unitholder;

(4)¹⁶ The amount of money to be returned¹⁶ and the names of unitholders to receive the money, if any;

(5)¹⁷ The closure date of the register of unitholders for transfer of investment units for a purpose of reduction of the number of investment units.

Clause 26.¹⁸ The management company shall not:

(1)¹⁹ offer to sell additional investment units after the initial offering;

¹² Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹³ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁴ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁵ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁶ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁷ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁸ Repealed for purpose of amendment by the Notification of the Capital Market Supervisory Board No. TorNor. 32/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 3) dated 10 August 2010.

(2)²⁰ increase the capital of the mutual fund unless to obtain proceeds as expense of the mutual fund in proceeding with legal disputes.

Clause 27. Upon a lapse of three years from the registration date of the mutual fund, the management company may amend the mutual fund to be an open-ended fund by obtaining a prior approval from the SEC Office.

Clause 28. Institutional investors or investors with specific characteristics pursuant to Clause 7(3) of the notification of the Securities and Exchange Commission No. KorJor. 13/2539 Re: Filing and Exemption from Filing of the Registration Statement for Securities Offering dated 12 September 1996 who have already been unitholders of a mutual fund prior to 16 February 2002 may continue to hold investment units of such mutual fund.

Clause 29. If a mutual fund has already invested in shares of any company which are not shares of an asset management company pursuant to the law governing asset management company prior to 16 February 2002, such mutual fund may continue to possess such shares. However if any amount of such shares has been sold, the mutual fund shall only hold the remaining amount of the shares.

Clause 30.²¹ If the management company has already acquired by way of debt repayment with other assets, foreclosure of the mortgage, or public auction the property in the category which a mutual fund cannot invest or possess prior to 1 March 2006, the management company shall dispose such property when the first opportunity arises by taking into account the best interest of unitholders, but in any case no later than 31 December 2010.

Clause 31. All notifications of the Office of the Securities and Exchange Commission, orders and circulars issued under or providing guidelines for compliance with the Notification of the Securities and Exchange Commission No. KorNor. 16/2541 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institutions Problems dated 24 May 1998 which have been in effect prior to the effective date of this Notification shall remain in full force and effect to the extent that they are not inconsistent with nor contrary to the provisions of this Notification, until the notifications, orders and circulars issued under or providing guidelines for compliance with this Notification come into effect.

Clause 32. Any reference made under any other notifications to the Notification of the Securities and Exchange Commission No. KorNor. 16/2541 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 24 May 1998 shall mean reference to this Notification.

¹⁹ Repealed for purpose of amendment by the Notification of the Capital Market Supervisory Board No. TorNor. 32/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 3) dated 10 August 2010.

²⁰ Repealed for purpose of amendment by the Notification of the Capital Market Supervisory Board No. TorNor. 32/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 3) dated 10 August 2010.

²¹ Repealed for purpose of amendment by the Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

Clause 33. This Notification shall come into force as from 16 June 2009.

Notified this 4th day of June 2009.

(Vijit Supinit)

Chairman

Securities and Exchange Commission

Remark: 1. The Notification of the Capital Market Supervisory Board No. TorNor. 22/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 4 June 2009 shall come into force as from 6 June 2009.

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 the establishment and management of mutual funds shall be the power of the Capital Market Supervisory Board, therefore; therefore, it deems appropriate to issue this Notification to replace the Notification of the Securities and Exchange Commission No. KorNor. 16/2541 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 24 May 1998.

2. The Notification of the Capital Market Supervisory Board No. TorNor. 10/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010 shall come into force as from 15 March 2010.

The rationale for issuing this Notification is to review the rules related to the capital reduction of mutual fund to allow unitholders to receive the returned capital through payment in cash or in kind, and to extend the period for mutual funds to dispose of any asset acquired prior to 1 March 2006 by way of repayment of debt, foreclosure of mortgaged property or purchase from public auction.

There are transitory provisions under this Notification as follows:

Clause 4. Form 117-Lor3 attached to the Notification of the Capital Market Supervisory Board No. TorNor. 22/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 4 June 2009 shall be cancelled.

Clause 5. With respect to any mutual fund being in a process of capital reduction prior to the effective date of this Notification, the management company

shall continue to comply with the rules prescribed by Clause 25 of the Notification of the Capital Market Supervisory Board No. TorNor. 22/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 4 June 2009 prior to the amendments made by this Notification until the completion of the said capital reduction.

3. The Notification of the Capital Market Supervisory Board No. TorNor. 32/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems (No. 3) dated 10 August 2010 shall come into force as from 1 September 2010.

The rationale for issuing this Notification is to allow mutual funds to increase their capital to obtain proceeds to be used as expense of the mutual fund in proceeding with legal disputes.