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The Notification of the Capital Market Supervisory Board

No. TorNor. 49/2553

Re: Provisions Relating to Governance and Business Takeover of Foreign ETFs

By virtue of Sections 16/6, 89/1, 89/12, 89/14, 89/29, 89/31, 246 and 247 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551 which contains certain provision 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 Capital Market Supervisory Board promulgates regulations as follows:

Clause 1 This Notification shall apply to-

- (1) For the purpose of governance under Chapter 3/1 of the Securities and Exchange Act B.E. 2535, foreign ETF established under law of foreign jurisdiction in form of public limited company;
- (2) Business takeover of foreign ETF under (1).

Clause 2 In this Notification:

- (1) “foreign ETF” means collective investment scheme in category of exchange-traded fund established under law of foreign jurisdiction;
- (2) “units of foreign ETF” means units of foreign ETF issued in form of shares;
- (3) “home exchange” means exchange in foreign jurisdiction where units of the foreign ETF are listed and in cases where the units of foreign ETFs are listed on several exchanges, the term shall mean the exchange specified by the foreign ETF as the home exchange;
- (4) “executive” means manager or any person determined by home exchange or home regulator as “executive”;
- (5) “home regulator” means the regulator of capital market where units of foreign ETFs are listed on securities exchange and in cases where the units of foreign ETF are listed on several exchanges, the term shall mean the capital market regulator of the home exchange;
- (6) “related person” means related persons under (1), (2) and (3) of the term “related person” under Section 89/1.

Clause 3 Transaction between foreign ETF and director, executive or related person shall be deemed as exempted from Section 89/12, if determined by law of foreign jurisdiction where home exchange is located as transaction in category or with value or rate not subject to approval by resolution of foreign ETF unit holders' meeting.

Clause 4 Foreign ETF shall undertake the following matters in compliance with law of foreign jurisdiction where home exchange is located:

(1) reporting of interest of director, executive and related person under Section 89/14;

(2) entering into transaction with significance to foreign ETF under Section 89/29;

(3) acting in any manner to persuade unit holders of foreign ETF to give proxy to vote under Section 89/31.

Clause 5 In cases where any person has a duty to file report on acquisition or disposition of units of foreign ETF, calculation of voting right and filing of such report under Section 246 shall be in accordance with law of foreign jurisdiction where home exchange is located.

Clause 6 The provisions relating to criteria, conditions and procedure for business takeover shall not be applicable to acquisition or disposition of units of foreign ETF deemed as business takeover.

Clause 7 This Notification shall come into force from 16 January 2011.

Notified this 27th day of December 2010.

-Signature -

(Thirachai Phuvanatanarubala)

Secretary-General

Office of the Securities and Exchange Commission

Chairman

Capital Market Supervisory Board

Remark: the reason for promulgation of this Notification is to determine criteria on governance and business takeover which are proper and corresponding to nature of foreign ETF. It is therefore necessary to adopt this Notification.