

TRANSLATED VERSION

As of June 3, 2014

Readers should be aware that only the original Thai text has legal force and that this English translation is strictly for reference.

Notification of the Office of Securities and Exchange Commission

No. SorThor. 7/2557

**Re: Rules on Appointing Independent Director
of an Intermediary**

By virtue of Clause 5(1) of the *Notification of Capital Market Supervisory Board No. TorThor. 35/2556 Re: Standard Conduct of Business, Management Arrangement, Operating Systems, and Providing Services to Clients of Securities Companies and Derivatives Intermediaries* dated 6 September 2013, in conjunction with Clause 12(2) of the *Notification of Capital Market Supervisory Board No. TorThor. 35/2556 Re: Standard Conduct of Business, Management Arrangement, Operating Systems, and Providing Services to Clients of Securities Companies and Derivatives Intermediaries* dated 6 September 2013 as amended by the *Notification of Capital Market Supervisory Board No. TorThor. 9/2557 Re: Standard Conduct of Business, Management Arrangement, Operating Systems, and Providing Services to Clients of Securities Companies and Derivatives Intermediaries (No. 2)* dated 3 June 2014, the SEC Office hereby issues the following regulations:

Clause 1 The provision in this Notification is prescribed in details of appointing an independent director as prescribed in Clause 12(2) of the *Notification of Capital Market Supervisory Board concerning Standard Conduct of Business, Management Arrangement, Operating Systems, and Providing Services to Clients of Securities Companies and Derivatives Intermediaries* in order that an intermediary shall comply with such Notification by reaching same standard in practice.

Clause 2 An intermediary shall provide one fourth of directors to be independent director. In this regard, the independent director shall have qualification and shall not possess prohibited characteristics as specified by the *Notification of the Capital Market Supervisory Board concerning Rules on Personnel in the Capital Market Business*.

For the appointment of the independent director under the first paragraph, the intermediary shall proceed completely before the date of commencement of securities or derivatives business.

The first and second paragraph shall not be applicable to any intermediary who ceases all businesses.

Clause 3 An intermediary who has been rendered a waiver of appointing an independent director under the *Notification of the Office of the Securities and Exchange Commission concerning Rules on Rendering a Waiver of Appointing Independence Director of Securities Company* or the *Notification of the Office of Securities and Exchange Commission concerning Rules on Rendering a Waiver of Appointing Independence Director of Derivatives Intermediary* before this Notification

comes into force, the intermediary shall appoint the independent director as prescribed in the first paragraph of Clause 2 within 1 January 2016.

Clause 4 In case an intermediary being [i] financial institution which is regulated by the Bank of Thailand or the Office of Insurance Commission or [ii] state enterprise under Ministry of Finance's purview has already had independent director in accordance with the regulations of such regulators, it shall be deemed that the intermediary has had the independent director in accordance with this Notification. In this regard, the independent director thereof shall not possess prohibited characteristics as specified by the *Notification of the Capital Market Supervisory Board concerning Rules on Personnel in the Capital Market Business*.

Clause 5 In case an independent director dies, resigns or vacates from the position, an intermediary shall proceed to have a new one for the replacement within 90 days as from the date when such event has occurred unless the SEC Office has rendered a waiver only if it is necessary or appropriate.

Clause 6 This Notification shall come into force as from 1 July 2014.

Notified this 3th day of June 2014.

- Signature -
(Vorapol Socratyanurak)
Secretary-General
Office of the Securities and Exchange Commission