

UNOFFICIAL TRANSLATION

Practice Guidelines for Investment Analysts and Investment Consultants

Whereas Clause 20 of the *Notification of the Capital Market Supervisory Board No. TorLorThor. 3/2555 Re: Approval for Personnel of Business Operator to Perform Duties of Analyzing Investment and Giving Investment Consultation* dated 18 January 2012 (“Notification No. TorLorThor. 3/2555”) prescribes the practice rules for investment analysts and investment consultants, and Clause 6 of the Notification No. TorLorThor 3/2555 specifies that the SEC Office may prescribe guidelines in detail for the benefit of compliance with the requirements in the Notification, the SEC Office hereby issues the practice guidelines for investment analysts and investment consultants as follows:

1. Performing Duties or Providing Services with Loyalty. For example:

1.1 do not act in any manner that implies dishonestly. For example:

(1) do not engage in, or support or give assistance to, illegal acts upon investors’ assets by such means as misappropriation, deceit or fraud;

(2) do not conceal information or submit false documents to the SEC Office in their application for approval of personnel in capital market business;

Additional practice guidelines for investment consultants:

(3) do not conceal information or submit false documents to securities companies to help investors by such means as concealing or fabricating information to open a trading account or to obtain an approval for increasing a credit line.

1.2 maintain professional integrity by not acting in a manner that takes advantage of investors or seeks benefits for oneself or other persons. For example:

(1) do not analyse, solicit or give consultation in a manner that stimulates, incites or encourages investors to execute frequent transactions (churning);

(2) do not use other assets, apart from general assets, of securities companies to seek benefits, ex., work manual, work system, software or investors’ information.

Additional practice guidelines for investment consultants:

(3) do not misappropriate or take advantage of investors by using the opportunities gained from their work position;

(4) do not buy or sell securities / derivatives for their own benefits, the securities company’s or other persons’ before buying or selling the same securities/derivatives for investors (front running);

(5) do not use investors’ securities/derivatives trading accounts to trade securities/derivatives for themselves or other persons, with or without the consent of the account owners. This includes making a decision to trade securities/derivatives in investors’ accounts for investors without their orders, regardless of whether the investment consultants gain benefits from such transactions, and with or without the investors’ acknowledgment;

Additional practice guidelines for investment analysts:

(6) do not take advantage of investors or seek benefits for oneself, for example, using information related to investment analysis that is still in the research process to seek benefits for oneself or other persons before disseminating such research to investors.

2. Performing Duties with Responsibility and Deliberation as a Professional and Treating Each Investor with Fairness, Carefulness and Circumspection by Taking into Account the Best Interest of Investors. For example:

2.1 Providing consultation and information for investors:

(1) disclose own names and the companies for which they work or represent upon communication and contact with investors unless the investors have already known;

(2) provide consultation objectively and independently according to a recognised professional code of conduct together with supporting documents as reference, and clearly inform investors whether the given information is fact or opinion. In any case, the giving of opinions or consultation should follow the company's guidelines to ensure such practice is principally in the same direction (house opinion);

(3) provide investors with information or consultation that is suitable, complete, accurate and up-to-date without omitting sufficient, important and relevant information for investors' decision making or concealing material information, which may cause misunderstanding or distort facts. For example:

a. disclose or provide information related to specific risks or limitation of securities / derivatives such as warrants approaching maturity, warrants redeemable before maturity, investment units of mutual funds under merger process, investment units of term funds;

b. disclose or provide information related to the issuers such as an increase or decrease of the paid-up capital, a change of major shareholders, and business merger;

c. disclose or provide significant information or warnings that may affect the rights and benefits of investors such as product risks and give additional consultation in case investors wish to invest beyond their risk tolerance;

d. in case of investment unit sale, distribute fund prospectus to investors, and give information or consultation suitable for each customer's updated profile, and provide post-trade information and consultation regarding such investment units on a regular basis.

(4) use discretion in giving consultation; in case any consultation is based on news analysis that may affect securities / derivatives investment, the source(s) of such news must be identified while rumors or information that may have an impact on securities / derivatives prices must not be disseminated or spread without verification from related parties;

(5) do not rush investors into hasty investment decisions;

Additional practice guidelines for investment analysts:

(6) in preparing research papers to be disseminated to investors and analysing investment through the media, investment analysts must disclose the types of their approval, whether it be fundamental analyst¹ or technical analyst, and the preparation of research papers and the dissemination of information must be within the scope of duties assigned by the employing company. In any case, investment analysts must comply with the scope of work of the types of their approval granted by the SEC Office.

¹ There are three types of fundamental analysts: fundamental capital market analyst, fundamental securities analyst and fundamental derivatives analyst.

2.2 Execution of investors' orders (guidelines for investment consultants)

(1) do not accept investors' assignment to make a decision on securities / derivatives trading on their behalf;

(2) provide services of securities / derivatives trading according to the order of the trading account owners or the persons with written authorization from the account owners only;

(3) execute securities / derivatives trading transactions in chronological order (first come, first served basis), unless investors have clearly specified otherwise;

(4) do not interfere with investors' assets by, for example, accepting an assignment to arrange clearing and settlement or withdraw or transfer securities for investors.

2.3 Giving assistance for investors to engage in securities / derivatives trading activities unsuitable for their financial position (guidelines for investment consultants):

(1) do not render support or cooperation for investors to trade securities / derivatives unsuitable for their financial position, repayment ability or investment limitation by, for example, handling securities clearing and settlement for investors;

(2) do not get involved in unregulated money borrowing activities for securities / derivatives trading transactions, for example, using or seeking unregulated loan sources, supporting, assisting or conspiring with the use of unregulated loans for securities / derivatives trading activities.

2.4 Performing duties with due care to prevent conflicts of interest. For example:

(1) avoid contact, solicitation, or consultation that may cause a conflict of interest, unless the interest or the conflict is disclosed and acknowledged by investors. For example:

a. more than five percent of the total voting shares of the issuer is aggregately held by the securities company, its executives, or investment analysts and investment consultants, including the shares held by the spouses and minor children of such persons;

b. the securities company or its related company is the issuer of such securities;

c. executive(s) of the securities company or the investment analysts or investment consultants are directors of the issuer of such securities;

d. the securities company or its related company is currently the financial advisor of the issuer of such securities in accordance with the *Notification concerning Granting of Approval for Financial Advisors and Their Scope of Work*;

e. the investment consultants earn commission fees from contact, solicitation or consultation at different rates. For example, one mutual fund pays higher fees than another;

(2) comply with the rules prescribed under the *Notification of the Securities and Exchange Commission concerning Rules, Conditions and Procedures for Securities Underwriting* in the case where investment analysts and investment consultants solicit or give consultation for investors' securities trading, or publish articles or research papers on securities in the case where the securities company is the underwriter in accordance with the Notification;

(3) inform investors that the securities company is the counterparty in the securities trading of investors, except where the securities company is the market maker or dealer, and inform investors in which capacity the securities company engages in trading transactions with investors if it is both broker and dealer of such securities.

Additional practice guidelines for investment analysts:

(4) do not buy or sell the securities on which analysis research is conducted before such research paper has been disseminated for at least three business days.

2.5 compliance with the rules and regulations of the employing company:

(1) perform duties pursuant to the type or scope of work assigned by the company which the investment analysts represent or are affiliated with. For example, performing duties within the scope of responsibility assigned by the company, not managing or interfering with evidentiary documentation concerning securities / derivatives trading of investors under the back office's responsibility;

(2) comply with the company's regulations concerning the employees' securities / derivatives trading;

(3) do not call for or accept fees or remunerations from investors other than the fees paid to the securities company.

2.6 other areas of practice. For example:

(1) maintain investors' confidentiality by, for example, not disclosing personal information, investment data on securities / derivatives trading, and financial information of investors, unless required by duty;

(2) do not render guarantee to investors regarding returns, interest, loss or damage that may be incurred from securities / derivatives trading.

3. Compliance with the Law on Securities and Exchange, the Law on Derivatives and the rules prescribed by virtue of such laws, especially with regard to Contact, Solicitation, Consultation, Planning or Analysis on Value or Suitability of Securities / Derivatives Investment or Trading, Whether or Not Enforceable on Oneself or Business Operator. For example:

3.1 use the company's recording system when giving consultation, receiving trading orders, and negotiating about investment with investors, and keep analysis research papers for a period of time as specified by the governing rules;

3.2 give consultation and information related to relevant rules clearly and accurately, for example, collateral placement, calculation of excessive equity, and forced selling.

4. Performing Duties in Accordance with the Codes of Conduct and Professional Standards as Specified by Associations or Agencies Related to Capital Market Business Recognized by the SEC Office. For example:

4.1 comply with the rules related to work conduct prescribed by the Association of Thai Securities Companies such as keeping the sources of trading orders via voice recorder or in the form of ticket order, standard conduct of derivatives business, criteria for maintaining and developing the quality of securities analysts and analysis research;

4.2 in the case where investment analysts and investment consultants are registered with the Stock Exchange of Thailand or the Derivatives Exchange to represent the members in trading via the trading system, they must comply with the rules stipulated by the Stock Exchange or the Derivatives Exchange regarding such matters as the execution of inappropriate trading orders, rebates, the use and disclosure of trader ID.

Additional practice guidelines for investment consultants

4.3 comply with the rules related to work conduct prescribed by the Association of Investment Management Companies such as the guidelines for conducting the Know-Your-Customer/Customer-Due-Diligence (KYC/CDD);

Additional practice guidelines for investment analysts

4.4 comply with the criteria for preparation of quality analysis research as prescribed by the Investment Analysts Association.

5. Not Having a Demeanour of Unfair Act or Taking Advantage of Investors on Trading in Securities or Derivatives or Participating in or Supporting Such Acts Performed by Other Persons:

5.1 do not engage in unfair acts, neither as a conspirator nor a supporter of such acts;

5.2 do not have inappropriate behaviors concerning unfair acts such as arranging for the trading accounts of other persons to be used in price manipulation or sending inappropriate trading orders to manipulate securities prices, or handling money transactions.

Note: The SEC Office has repealed the Practice Guidelines of Investment Analysts and Investment Consultants attached to the *Circular No. SEC. Kor Thor. (Wor) 2/2555 Re: Delivery of Notification and Clarification on Amendment to the Rules on Granting of Approval for Investor Contacts* dated 22 February 2012, and has replaced it with the Practice Guidelines presented herein.