

REGULATIONS OF THE STOCK EXCHANGE OF THAILAND

Re: Consideration of Offence and Disciplinary Action, 2000

By virtue of the second paragraph (17) of Section 170 of the Securities and Exchange Act B.E. 2535 (A.D. 1992), the Board of Governors of the Stock Exchange of Thailand, with the approval of the Securities and Exchange Commission, hereby issues the following regulations:

1. These Regulations shall come into force on December 1, 2000.

2. In these Regulations:

“Exchange” means the Stock Exchange of Thailand;

“Board” means the Board of Governors of the Exchange;

“President” means the President of the Exchange;

“member” means a member of the Exchange;

“Disciplinary Sub-Committee” means the Sub-Committee appointed by the Board to perform duties of considering the offence of persons who violate or take part in the violation of the regulations of the Exchange and imposing a disciplinary action on them;

“Secretary” means the Secretary to the Disciplinary Sub-Committee.

3. In considering an offence and imposing a disciplinary action, the Board shall appoint one or several Disciplinary Sub-Committees to perform the duties under these Regulations.

*4. A Disciplinary Sub-Committee under Clause 3 shall consist of 5 members, at least one of whom must be a member of the Board, one of whom must be knowledgeable and well experienced in stock exchange business, securities business or finance business, one of whom must be a legal expert, and one of whom must be a manager or executive holding the title of assistant manager or higher as delegated by the President.

*(*Amended October 28, 2004)*

5. Other than the President, a member of the Disciplinary Sub-Committee shall hold office for a term of 2 years.

In case that a member of the Disciplinary Sub-Committee vacates his office by rotation, the Board shall appoint a new member of the Disciplinary Sub-Committee. While a new member is not yet appointed, the retiring member shall continue to hold the office in order to perform duties until they are taken by a newly appointed member.

6. Other than retirement by rotation, the members of the Disciplinary Sub-Committee shall vacate the office upon:

(1) Death;

- (2) Resignation;
- (3) Dismissal by a resolution of the Board;
- (4) Lack of qualifications under Clause 4.

In case that a member of the Disciplinary Sub-Committee vacates his office prior to the expiry of his term, the Board may appoint a replacement member who shall be in the office for the remaining term of the member whom he replaces.

7. The Disciplinary Sub-Committee shall elect one of its members to be the Chairman of the Disciplinary Sub-Committee.

8. In a meeting of the Disciplinary Sub-Committee, at least one-half of the total number of its members must be present to form a quorum.

In a meeting of the Disciplinary Sub-Committee, if the Chairman of the Disciplinary Sub-Committee is not present or is unable to perform his duties, the Vice-Chairman shall be the chairman of the meeting. If there is no Vice-Chairman or if the Vice-Chairman is not present or is unable to perform the duties, the members present at the meeting shall elect one among themselves to preside over the meeting.

The decision of the meeting shall be made by a majority vote. Each member of the Disciplinary Sub-Committee shall have one vote. In case of the equality of votes, the chairman of the meeting shall have another casting vote.

9. In case of necessity and urgency, a meeting of the Disciplinary Sub-Committee may be conducted through the placement of signatures of all of its members in a document showing a resolution instead and the decision shall then be made in accordance with the provisions of the third paragraph of Clause 8. Such method, however, shall not apply to the meeting for a resolution to decide as to whether the accused has committed an offence or not, or to impose the disciplinary action.

10. A member of the Disciplinary Sub-Committee who has an interest in a matter being considered is prohibited from participating in the consideration of such matter.

11. The Disciplinary Sub-Committee shall be empowered to consider an offence and impose a disciplinary action on the persons who violate or take part in the violation of the regulations of the Exchange, except for the consideration of offences and imposition of disciplinary actions as follows:

- (1) An order to delist any listed securities;
- (2) An order to temporarily prohibit any member from buying or selling listed securities on the Exchange;
- (3) An order to revoke the membership;
- ***(4)** -
(*Repealed May 10, 2006)
- (5) Other cases as stipulated by the Board.

12. The President shall appoint one officer of the Exchange to perform duties as the Secretary and be in charge of compiling facts and evidence concerned, examining and proposing opinion concerning the facts and points of law to the Disciplinary Sub-Committee as well as doing any other act for the implementation of these Regulations.

13. When there appears any accusation or suspicion that makes it credible that the violation or the participation in a violation of the regulations of the Exchange has been committed, the Secretary shall consider that fact. If it is found to be well-grounded, the Secretary shall compile the facts and evidence concerned, prepare the opinion together with the reasons and points of law concerned for proposal to the Disciplinary Sub-Committee, and give written notice of the accusation to the accused.

In case where the fact is found to be groundless, the Secretary shall be empowered to give an order to close the case and make a report to the Disciplinary Sub-Committee provided that the Disciplinary Sub-Committee may, if it is deemed expedient, give an order not to close the case and instruct the Secretary to take further action under the first paragraph.

14. A statement of accusation shall consist of at least the following particulars:

- (1) Name and address of the claimant and the accused;
- (2) Act which is a cause of the accusation, together with the facts or circumstances as may be reasonable in connection with such act;
- (3) Citation of provisions in the regulations of the Exchange which provide that such act is an offence; and
- (4) Period of time for clearing up the accusation.

15. In the consideration process under these Regulations, the accused may either do all acts by himself or execute a power of attorney to authorize another person to act in lieu.

16. The consideration process must be finished without delay, provided that the accused must be given an opportunity to clarify and produce evidence to support his clarification as may be suitable for the case.

The clarification under the first paragraph must be made in writing, except where the Disciplinary Sub-Committee permits a verbal clarification in the presence of the Disciplinary Sub-Committee.

In case of a verbal clarification under the second paragraph, the Secretary shall record the clarification and ask the accused to sign his name as evidence.

17. The accused must lodge a reply to the accusation to the Disciplinary Sub-Committee within 15 days from the date of receiving written notice of the accusation.

A reply to the accusation under the first paragraph must be made in writing and signed by the accused or his attorney-in-fact, as the case may be, and must specify the act which is the cause of a reply to the accusation, the facts, points of law and reasons which are the dispute against any aspect of the accusation.

The accused shall submit along with a reply to the accusation all documents and evidence relating to the subject matter of the accusation which the accused adduces to support his dispute or considers as being beneficial to the consideration.

18. A reply to the accusation under Clause 17 may be lodged with the Secretary or sent by registered mail with return receipt.

In case that a reply to the accusation is sent by registered mail with return receipt, it shall be deemed that the date on which an officer of the post office of origin stamps a postal seal on an envelop of the reply to the accusation is the date of submission thereof.

19. When receiving a reply to the accusation, the Secretary shall issue a receipt or send a written notice of the receipt thereof to the accused, as the case may be.

A receipt or written notice of the receipt of the reply to the accusation under the first paragraph must contain the statement showing the date of receiving the reply and the name of a person lodging the reply.

20. In case that the accused fails to lodge a reply to the accusation within the stipulated time under Clause 17, the Secretary shall make a report to the Disciplinary Sub-Committee. The Disciplinary Sub-Committee shall then be empowered to consider the offence and make a decision without having to hear a reply to the accusation.

In case that the Secretary deems that a reply to the accusation is incorrect or fails to have complete particulars as stipulated, the Secretary shall give written notice of the incorrectness or incomplete particulars to the accused and stipulate therein the period of time during which the accused must amend or prepare a correct and complete reply to the accusation and re-submit it.

In case that the accused fails to amend or prepare a correct and complete reply to the accusation within the stipulated time under the second paragraph, the provisions in the first paragraph shall apply. Nonetheless, if the accused amends or prepares a correct and complete reply to the accusation and re-submits it within the stipulated time under the second paragraph, it shall be deemed that the accused submits the reply within the stipulated time under Clause 17.

21. In case that the Secretary deems that a reply to the accusation is correct and complete according to Clause 17, or in case that the accused fails to lodge a reply to the accusation according to Clause 20, the Secretary shall prepare an opinion together with reasons and points of law concerned and propose the same to the Disciplinary Sub-Committee without delay.

22. The Disciplinary Sub-Committee shall complete consideration of an offence within 60 days from the commencement date of consideration of such offence for the first time.

During consideration of the offence, the Disciplinary Sub-Committee may order the Secretary to issue a written notice requiring the accused to meet for an inquiry, to submit additional documentary evidence, or to clarify additional facts concerning the subject matter of the accusation within prescribed time, or may instruct an internal unit of the Exchange that is related to the notification of such accusation to submit documentary evidence or make additional clarification.

The counting of period under the first paragraph shall not include the duration as from the date on which the Disciplinary Sub-Committee gives an order under the second paragraph until the date on which the Disciplinary Sub-Committee receives the additional documentary evidence or clarification in full.

23. The Disciplinary Sub-Committee shall be empowered to extend the period of time concerning the consideration process under these Regulations as may be appropriate.

24. In issuing an order concerning the disciplinary action, the Disciplinary Sub-Committee may consider issuing an order according to the opinion of the Secretary or give an order otherwise.

25. When the Disciplinary Sub-Committee completes its consideration and issuance of order concerning the disciplinary action, the Secretary shall give written notice of such order to the accused without delay. Such written notice shall consist of at least the following particulars:

- (1) Name and address of the accused;
- (2) Cause and facts concerning the accusation;
- (3) Content and reasons of the order;
- (4) Effectiveness of the order.

In case that the Disciplinary Sub-Committee gives an order of disciplinary action, the Secretary shall also make a report to the Board.

Notified on this 24th day of November 2000.

(Signed) Amaret Sila-on

(Mr. Amaret Sila-on)
Chairman of the Board
The Stock Exchange of Thailand