

**NOTIFICATION OF THE BOARD OF GOVERNORS
OF THE STOCK EXCHANGE OF THAILAND**

Re: Punishment Imposed on Members and Disclosure of Punishment, A.D. 2007

By virtue of Clause 20 of the Regulations of the Stock Exchange of Thailand Re: Membership Rules A.D. 2001 dated January 3, 2001, the Board of Governors of the Stock Exchange of Thailand hereby issues certain requirements as follows:

1. This Notification shall come into force on January 25, 2007.

Effective date

2. Notification of the Board of Governors of the Stock Exchange of Thailand Re: Punishment Imposed on Members and Disclosure of Punishment, A.D. 2001 dated January 3, 2001 shall be repealed.

Repeal

**Chapter 1
Punishment Imposed on Members**

3. To impose punishment on its members, the Exchange will take into account the circumstances in which violators are involved, nature of violation, and intentions, including impacts and damages arising from the violation.

**Guidelines on
imposed
punishment**

4. If a member acts in violation of or breaks the rules prescribed by the Exchange, and if that member may be penalized, the guidelines set forth in Attachment hereto shall be adopted.

**Guidelines on
imposed fine**

5. If a member fails to report the fact to the Exchange when they know that other members acts in violation of or breaks the law governing securities and exchange, regulations of the Exchange, resolutions of the Board, and resolutions of the members' meetings, that member may be penalized an amount not more than a half of the maximum penalties imposed on the other members.

**Punishment on
person not
reporting the
violation
known to them**

6. For any member who provides co-operation or assistance to other members who violates or fails to comply with the law governing securities and exchange, regulations of the Exchange, resolutions of the Board, and resolutions of the members' meetings, that member may be penalized an amount not more than the maximum penalties imposed on the other members.

**Punishment on
person helping
or assisting in
violation**

**Chapter 2
Disclosure of Punishment**

7. The Exchange shall disclose the punishment imposed on certain members in writing to other members by public announcement, provided that the name of the punished member, nature of violation and imposed punishment.

**Disclosure
methods**

Notified on the 18th day of January 2007.

(Mr. Vijit Supinit)
Chairman of the Board
The Stock Exchange of Thailand

Guidelines on Imposed Punishment by Penalization

Exchange Rules	Nature of Act	Penalty Rate
1. Margin trading of Securities	1.1 Failure to demand that additional collateral be deposited by client in the event that the client's assets decrease in value less than the value of margin required to be maintained	Not more than Baht 10,000 per demand required to be made by the member
	1.2 Failure to enforce the sale of securities in the event that the client's assets decrease in value equal to or less than the value of the minimum collateral	Not more than Baht 100,000 per client
2. Rules and procedures for securities trading in cash	2.1 Failure to monitor that the purchase order of securities by its client is at any time not greater than the ceiling determined by the company (member)	Not more than Baht 10,000 per effective excess
	2.2 Agreement to allow its client make further purchases when the purchase price has not been paid or the difference of the setoffs has not been settled.	Baht 10,000 per transaction or commission payable on the purchase price of additional securities when the purchase price or the difference has not yet been settled. whichever is greater
	2.3 Failure to demand that the collateral deposited by client be at the rate of not less than 10% of the amount that the client may purchase	Not more than Baht 10,000 per demand required to be made
	2.4 Payment of the selling price of securities in favor of client before the payment becomes due in accordance with the rules relating thereto	Baht 1,000 per transaction
	2.5 Payment of the selling price of securities in favor of client before the payment of the purchase price has been obtained of the same securities	Baht 1,000 per transaction or commission payable on the total sum of the purchase price and the selling price, whichever is greater
	2.6 Failure to pay the selling price of securities by cheque drawn to A/C Payee only or by transfer to the account of client or by client named promissory note	Not more than Baht 5,000 per payment

Exchange Rules	Nature of Act	Penalty Rate
	2.7 Failure to have a client, who is a natural person, pay the purchase price of securities and obtain the payment of the selling price by ATS debit against the account of client or by cash balance account	Not more than Baht 5,000 per transaction
	2.8 Failure to comply with the Exchange rules in the event of choosing the option to pay the selling price to the client within 3 business days following the day when the securities are sold (gross settlement)	Not more than Baht 100,000 per transaction
	<p>2.9 Failure to have client pay the purchase price of securities or make delivery thereof within the stipulated period as follows:</p> <p>2.9.1 (a) Failure to have client pay the purchase price and make reporting according to the Exchange rules</p> <p>(b) Failure to have client deliver certain securities and make reporting according to the Exchange rules</p> <p>2.9.2 (a) Failure to have client pay the purchase price and to make reporting according to the Exchange rules</p> <p>(b) Failure to have client deliver certain securities and to make reporting according to the Exchange rules</p>	<p>For the first two late business days is penalized at the daily rate of Baht 500 per transaction. As of the third day onwards is additional penalized at the daily rate of Baht 1,000 per transaction</p> <p>For the first two late business days is penalized at the daily rate of Baht 500 per share. As of the third day onwards is additional penalized at the daily rate of Baht 1,000 per share</p> <p>Not more than Baht 10,000 per transaction/ day</p> <p>Not more than Baht 10,000 per share/ day</p>

Exchange Rules	Nature of Act	Penalty Rate
3. Rules, conditions and procedures for filing reports and financial statements	<p>3.1 Failure to make reporting when any one of the following events occurs:</p> <p>3.1.1 the event required to be reported immediately when it occurs, such as suffering of serious damage, cessation of business operation, etc.</p> <p>3.1.2 the event required to be reported by the business day following the day when that event occurs, such as capital increase, amalgamation, business shareholdings at the rate more than 10% of the registered capital</p> <p>3.1.3 the event required to be reported within the stipulated period, such as change of director, relocation of head office, opening/closing of branch, etc.</p>	<p>Not more than Baht 30,000 per reporting</p> <p>Not more than Baht 20,000 per reporting</p> <p>Not more than Baht 10,000 per reporting</p>
	3.2 Failure to submit reporting return to Exchange within the stipulated period, such as Gor.Tor. 2/1 Form (Securities Business), Gor.Tor. 2/6 Form (Internet)	Not more than Baht 10,000 per reporting
4. Rules, conditions and procedures for executing a brokerage or agency agreement for trading on the Exchange for non-member securities company	4.1 Failure to notify (Exchange) of the execution or termination of brokerage/agency agreement made with non-member securities company	Not more than Baht 10,000 per contract/person
	4.2 Failure to have non-member securities company comply with the terms and conditions of the agreement made by the member and the non-member securities company	Not more than Baht 50,000 per person
5. Short sale on the exchange	Failure to comply with the short sale rules prescribed by Exchange	Not more than Baht 100,000 per transaction

Exchange Rules	Nature of Act	Penalty Rate
<p>6. Relating to trading, clearing and settlement of securities in the Exchange</p>	<p>6.1 Sale of securities or agreement to let client, so doing with having no possession of such securities in the event that this violates the law relating thereto:</p> <p>6.1.1 Sale of securities even though the member or its client has no possession of such securities and make reporting according to the Exchange rules</p> <p>6.1.2 Sale of securities even though the member or its client has no possession of such securities but does not make reporting according to the Exchange rules</p>	<p>- Penalized equally to the profit earned</p> <p>- In the event of intention to help or benefit short sale by any person, penalized additionally up to the maximum of Baht 50,000 per client</p> <p>Penalized equally to the profit earned and penalized additionally up to the maximum of Baht 50,000 per client</p>
	<p>6.2 Failure to comply with the Exchange rules relating to the trading transaction of securities by the member itself or its connected company as broker or agent for its client.</p>	<p>Not more than Baht 10,000 per transaction</p>
	<p>6.3 Failure to have its authorized traders perform their duties in accordance with the Exchange rules</p>	<p>Not more than 2 times the total sum of penalization imposed on those authorized traders but not less than Baht 50,000</p>

Exchange Rules	Nature of Act	Penalty Rate
	<p>6.4 Transmission of trading order which results in the change or non-change in the trading price of securities which gives rise to a false market. Examples of the order transmissions are as follows:</p> <ul style="list-style-type: none"> - Transmission of trading order at the price substantially higher or lower than the projected price which cannot be matched, regardless as to whether such order will be cancelled later or not - Transmission of a bid or offer and its later cancellation is made, or the original bid or offer has been cancelled and a new order is re-transmitted at an immediately subsequent time at several times - Transmission of a bid or offer at the price and trading volume likely to get matching for the same client or for clients of the same group - Transmission of trading order at the price substantially higher or lower than the projected price - Transmission of several transactions of trading order in the manner pushing up or down the price at several times - Transmission of several transactions of trading order at the same price level although purchase/selling transactions can be effectuated at the same time. 	<p>Not more than Baht 500,000</p>
	<p>6.5 Unauthorized trading transaction outside the Exchange</p>	<p>Not more than Baht 500,000</p>

Exchange Rules	Nature of Act	Penalty Rate
7. Trading of securities through the Exchange's trading system	7.1 There occurs any person other than the authorized traders making bid or offer for securities through the trading system.	Not more than Baht 500,000
	7.2 There occurs any person connecting computer equipment to the trading system adopted by the member which enables that person to transmit trading order directly without authorization or in violation of the Exchange rules.	Not more than Baht 500,000
	7.3 Installation of computer equipment "terminal" used in the trading transaction, not on the authorized place	Not more than Baht 500,000
	7.4 There occurs a person not officially involved in the trading transactions entering the place where terminals are installed without authorization.	Not more than Baht 50,000 per entry
	7.5 Installation of such computer equipment, as servers, etc. used in the trading transaction, not on the office of the member, or failure to notify to Exchange	Not more than Baht 500,000
	7.6 Use of computer programs or systems in effectuating unauthorized trading transaction, or failure to comply with the Exchange rules	Not more than Baht 50,000 per item
	7.7 Disclosure of information obtained from the trading system in violation of the Exchange rules	Not more than Baht 50,000 per item
	7.8 There occurs any other persons making computer equipment connections, so information could be obtained from the exchange trading system without authorization or in violation of the Exchange rules.	Not more than Baht 500,000

Exchange Rules	Nature of Act	Penalty Rate
8. Trading of securities through internet system	There occurs the internet trading system adopted by the member being not in accordance with the standard/ mode approved by Exchange.	Not more than Baht 500,000
9. Basket-Order trading	Transmission of basket order made in violation of the Exchange rules	Not more than Baht 100,000 per basket order portfolio