Application for the Program Trading / Algorithmic Trading Software

Date _____

To: President of The Stock Exchange of Thailand (SET) /

        Managing Director of Thailand Futures Exchange (TFEX)

We, _____, (hereinafter referred to as the "Company"), Member No. _____, would

like to implement the program trading software as follows:

❑   Apply for using the program trading / algorithmic trading software

   ❑   by Strategy

   ❑   with the Pre-trade Risk Management Control System

   ❑   for the additional strategy under the existing Pre-trade Risk Management Control System authorized by SET / TFEX,

       approval book no._____

           by attaching the following documents:

           ❑   Risk Management Control *(According to the information in Form B)*

           ❑   Functionality of the program trading / algorithmic trading software *(According to the information in Form C)*

           ❑   User Manual

           ❑   Details of the risk management control system which the company used for program trading in other

               Exchanges (if available)

❑   Update the program trading / algorithmic trading software in the area of

   ❑   Functionality of the program trading / algorithmic trading authorized by SET / TFEX *(According to the information in Form C)*

   ❑   Connectivity of Program trading / Algorithmic trading software (acting user) from _____to be

       _____

   ❑   Risk Management Control authorized by SET / TFEX, approval book no._____,

       For Strategies *(According to the information in Form C)*

           by attaching updated documents as follow:

           ❑   Risk Management Control   *(According to the information in Form B)*

           ❑   Functionality of the program trading / algorithmic trading software *(According to the information in Form C)*

           ❑   User Manual

           ❑   Details of the risk management control system which the company used for program trading in other

               Exchanges (if available)

❑   terminate the program trading/ algorithmic trading software (According to the information in Form C)

   ❑   terminate strategies authorized by SET / TFEX

   ❑   terminate Pre-trade Risk Management Control System authorized by SET/TFEX approval no.

       _____and all relevant strategies.

   ❑   terminate strategies under the existing Pre-trade Risk Management Control System authorized by SET / TFEX,

       approval book no_____

❑   Others (please specify): _____

To implement the program trading / algorithmic trading software for trading by:

   ❑   the Company for (Proprietary trading , Investors' port ,Market maker)__

   ❑   Company's DMA customer: (please specify customer name and account or market maker)_____

   ❑   Internet trading customers : (General internet investors , Name of specified customer)_____

The Company hereby warrants that the Company will comply with the term and condition that provided in this application and the order entry via such program trading / algorithmic trading operates with no conflict with, and complies with, the Rules and Regulations of SET or TFEX, and will not cause any damage to the trading system of the SET or TFEX. If this application becomes inaccurate, and/or the Company do not comply with the above term and condition, and/or the Company's trading through Program Trading / Algorithmic Trading without any approval by the Exchange or the program trading / algorithmic trading incurs any damage to SET or TFEX, the Company agrees to be responsible for all such damage incurred to SET or TFEX. In addition, the Company agrees that SET and/or TFEX may suspend the Company's trading through Program Trading/ Algorithmic Trading as SET and/or TFEX deems appropriate.

_____

(_____)

Title _____

Authorized Person

Company's stamp

Contact:_____

Telephone Number:_____

Email:_____

Risk Management Control

We, _____, (hereinafter referred to as the "Company"), Member No. _____, would like to describe the detail of Program Trading / Algorithmic Trading Risk Management Control as follow:

Basic Risk Management Control

❑ Having pre-trade control to ensure that the orders are comply with the rules and regulations of SET or TFEX, such as the securities' name, order type, volume, price and tick size

❑ Having parameter configuring control for both customers and traders including log keeping for inspection (Please describe) _____
_____

❑ Reviewing the program trading / algorithmic trading parameter (at least once a year required)

❑ Keeping record for transactions and audit trail logs

❑ Educating on SET's rules and regulations, program trading / algorithmic trading user manual and procedure during crisis on a regular basis

❑ Having customer screening e.g.
- Credit limit control
- Customer disclaimer on liability from using program trading / algorithmic trading

❑ Having control and protection from program trading / algorithmic trading software error e.g.
- Control and protection from program error including; fat finger prevention (Please describe)
  _____

- Prevention system or method to reduce the impact of duplicated order e.g. alert, throttle control. (Please   describe)
  _____

❑ Having risk control for the problem caused by Program Trading / Algorithmic Trading (System malfunction) by

☐ Broker's monitoring and broker's alert when the problem occurred
Responsible Department _____
How to handle the problem (Please describe) _____

☐ Having a kill switch function which can stop all processes and auto-cancel the unmatched order sent from program trading / algorithmic trading.
Responsible Department _____
How to handle the problem (Please describe) _____

☐ Having the manual regarding troubleshooting and crisis

❑ Others _____
_____

Risk Management Control for Preventing False Market

❑ Types of securities (SET and/or TFEX) applied _____(details as attached MO-Compliance1).

❑ Having order screening system or other risk management to prevent order entry that may affect the market, and also violate under rules, regulations and related laws (details as attached MO-Compliance1).

    ❑ Price control (Maximum %Change from the reference price)

    ❑ Maximum Value control (SET) / Maximum Volume Control (TFEX)

    ❑ The Continuity of the orders prevention

    ❑ Preventive system for Wash sale

    ❑ Preventive system for sale securities whereby the Member or customer does not have such securities in its possession or whereby no person has authorized the sale of such securities, unless otherwise permitted by law (for SET only)

    ❑ Others such as Orders entered and subsequently cancelled, or maintain the security price such as spread many orders with the intention to control the price of the securities.

By putting in place the above preventive system, this management has to full control at the client level. Alternatively, all trading accounts under the same client should be screened by this system.

Company hereby certify that the information mentioned above is true and correct.

                        _____

                        (_____)

           Title   _____

                    Authorized Person

Company's stamp

Functionality of the program trading / algorithmic trading software

We, _____, (hereinafter referred to as the "Company"), Member No. _____, would like to inform the functionality of program trading / algorithmic trading software as follow:

❑ apply for using/ adding/ changing the functional of program trading / algorithmic trading

Strategy Name

_____

    ❑   Basic Strategy[1]

    ❑   Other Strategies

The strategy is developed by…….. (*please specify the owner of strategy; customer name, broker name or the company which develop the strategy*) *(apply for SET only)*

Objectives

_____

    ❑   get approval to be used in other Exchanges (please specify)

        _____

        _____

Examples of functionality (Please describe in details e.g. picture, graph, numerical)

_____
_____
_____
_____
_____

[1]Basic strategy refers to the strategy which submits any trading orders that do not significantly impact stock price and also market condition. For example,

1. The Strategy executes an order attempting to achieve the average price such as Volume Weighted Average Price (VWAP) or Time Weighted Average Price (TWAP).

2. The strategy executes in line with market volumes/ reference price such as Volume Inline, Percentage of Volume, Price Inline, Implementation Shortfall

3. The strategy aims to slice order to the market while keeping the full size hidden in order to reduce market impact such as Reserve, Iceberg, Float, Pegging

4. The strategy aims to execute order nearly market close or call market such as Market on close.

Other strategy refers to the strategy which has not been mentioned as basic strategy.

☐ Termination of the program trading / algorithmic trading software

No.	Strategy name	The strategy is developed by (please specify the owner of strategy; customer name, broker name or the company which develop the strategy) (apply for SET only)	Strategy type	Example of functionality

Company hereby certify that the information mentioned above is true and correct.

_____

(_____)

Title   _____

Authorized Person

Company's stamp