

REGULATIONS OF THE STOCK EXCHANGE OF THAILAND

Re: Trading of Securities Through Internet, 2005

By virtue of the second paragraph (8) and (9) 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 hereby issues the following regulations:

1. These Regulations shall come into force on May 3, 2005.

2. The following shall be repealed:

(1) The Regulation of the Stock Exchange of Thailand Re: Trading of Securities through Internet System, 2000 dated January 7, 2000.

(2) The Regulation of the Stock Exchange of Thailand Re: Trading of Securities through Internet System (No. 2), 2000 dated June 30, 2000.

3. The trading of securities through Internet under these Regulations means the trading of securities through a system which has the characteristics as follows:

Internet trading

(1) Being connected through a public network;

(2) Having an Internet Service Provider (ISP) who provides public service; and

(3) A computer system used for sending or receiving the trading orders through the member's Internet system (Order Management) must be separated from a computer system used for receiving or sending the trading orders through the member's authorized officers (Broker Front-Office) and must be operating according to the standard of the Exchange.

*4. Trading of securities through the internet can be made only in case of the trading on the main board, odd lot board and foreign board by means of recording a bid or offer order for the trading system to match the bid with the offer (Automatic Order Matching: AOM).

Trading method

* Trading of securities through the internet under the first paragraph shall be the same as the trading under the Notifications of the Stock Exchange of Thailand to the extent not contrary to or inconsistent with these Regulations:

- (1) Trading, Clearing and Settlement of Securities in the Exchange;
- (2) Trading on the Main Board;
- (3) Trading on the Odd Lot Board;
- (4) Rules, Condition and Procedures for Trading on the Foreign Board.

(*Amended March 23, 2009)

5. The member may allow its customers to enter the Internet trading orders through the member's computer system only after the permission of the Exchange.

**Connection of
computer
equipment**

6. In order to apply for permission under 5, the member must proceed as follows:

**Application for
permission and
use of computer
program**

(1) To file the application together with documents or media showing details of the computer program in the member's computer system which link up with computer equipment used in the trading through Internet as designated by the Exchange, with a certification from the member that such computer program is operating in a manner which is not in violation of and is in accordance with the regulations of the Exchange governing trading and does not cause damage to the trading system;

(2) To arrange for a developer of computer program or a person providing examination service to examine and certify, in the form of certification as prescribed by the Exchange, that the computer program under (1) is operating in a manner which is not in violation of and is in accordance with the regulations of the Exchange governing trading and does not cause damage to the trading system;

(3) To be ready in the use of its computer system as follows:

(a) Having the computer program in the member's computer system which link up with computer equipment used in the trading through Internet and such computer program is operating in a manner which is not in violation of and is in

accordance with the regulations of the Exchange governing trading and does not cause damage to the trading system;

(b) Having the security management and control which meets the standards of the Exchange as follows:

(b.1) Having security system in the installation site of the member's computer equipment used for providing the Internet trading service (Physical Security);

(b.2) Having network security measure to prevent unauthorized person from entering into the system and being able to acquire or change data from the trading (Network Security);

(b.3) Having authentication measure to confirm that the customer is using the system by himself as well as availability of customer privacy protection (User Authentication and Privacy); and

(b.4) Having the information security standard;

(c) Having an order screening system which meets the standards of the Exchange;

(d) Other matters as prescribed by the Exchange.

7. In the event that the member wishes to change or alter the computer program which received the permission under 6, the member file the application together with documents or media showing details of the computer program in the form as prescribed by the Exchange and certify that the computer program changed or adjusted is operating in a manner which is not in violation of and is in accordance with the regulations of the Exchange governing trading and does not cause damage to the trading system;

Changes which must be permitted by the Exchange

Other than as stated in the first paragraph, in case where the member is to make any of the following changes or alterations, the member must obtain permission from the Exchange and arrange for a developer of computer program or a person providing examination service to examine and certify, in the form of certification as prescribed by the

Exchange, that such change or alteration does neither cause the computer program to operate in a manner which is in violation of and is not in accordance with the regulations of the Exchange governing trading nor result in damage to the trading system:

- (1) Change of computer program developer;
- (2) Change of computer program technology;
- (3) Change of an Internet Service Provider (ISP);
- (4) Change of network architecture;
- (5) Change of functional specification of the member's computer system which is connected with the computer equipment used for internet trading;
- (6) Change or alteration of the security management;
- (7) Change of installation site of the servers used for providing Internet trading service;
- (8) Other matters as prescribed by the Exchange.

8. The member shall cause its computer system to examine the customers' trading orders before they constitute the bids or offers in the trading system.

**Minimum
particulars in the
entry of bids or
offers**

The recording of the bids or offers under paragraph one must also specify the following particulars:

- (1) Customer ID;
- (2) Designated Trader ID.

9. The member shall cause its customer to observe the followings:

(1) Not to use any computer program other than the member's computer program which links up with the computer equipment used in the trading through Internet received permission by the Exchange; and

(2) Not to allow any other person to link computer equipment with the computer equipment that a customer uses in the trading through Internet which would thereby enable such person to enter a bid or offer order into the member's computer system directly.

In any case whatsoever, the member must be liable to any damage caused to the trading system due to its permission for the customer to enter bid or offer order into the member's computer system.

10. In case that the customer's trading order is in violation of or is not in accordance with the regulations of the Exchange, the resolutions of the Board of Governors of the Exchange and the circular letters of the Exchange governing trading, the member must take any or several steps as follows:

Steps taken by the member in case of the violation of the Exchange's regulations by customers

(1) To inform the customer not to enter such a trading order into the trading system;

(2) To cancel such a trading order of the customer;

(3) To suspend the provision of Internet trading service to the customer.

11. In order to supervise the use of computer system or the computer program according to Clause 6, the Exchange may:

Supervision of the use of computer system or the computer program.

(1) inspect the computer program or computer system of the member;

(2) require the member to change or modify its computer program or computer system; or

(3) prohibit the member from using its computer program or computer system for a period of time as the Exchange considers appropriate.

12. In order to supervise the recording of trading orders through Internet by its customers, the member must proceed as follows:

Supervision of the entry of trading orders by customers

(1) To procure a system for recording of the trading orders into the member's trading system which meets the standard of the Exchange;

(2) To procure measures for protection of the customers' confidentiality;

(3) To procure measures for protection and control of the recording of trading orders by any other person for a customer except that in case of any obstruction where the customer cannot record a trading order into the member's computer system, the customer may assign an authorized officer to record a trading order on his/her behalf;

(4) To store data related to the recording of trading orders by the customer according to the standards of the Exchange, and to deliver such data to the Exchange in case of its request;

(5) To ensure that the customer acknowledge and comply with the regulations of the Exchange, the resolutions of the Board of Governors of the Exchange and the circular letters of the Exchange governing recording of trading orders through Internet, including the prohibitions regarding recording of the improper trading orders.

13. In case of any change in the trading system, or the issuance or change in the regulations of the Exchange, the resolutions of the Board of Governors of the Exchange and the circular letters of the Exchange governing trading, the member shall test its computer system as notified by the Exchange.

Test of computer system

14. In order that the Internet trading under these Regulations are executed in an orderly and proper manner, the Exchange shall prescribe the Internet trading standards for adherence by the members insofar as they are not contradictory to or inconsistent with these Regulations.

Issuance of standards of operation of the members

15. The provisions in the Regulations of the Exchange Re: Trading, Clearing and Settlement of Securities in the Exchange, the resolutions of the Board of Governors of the Exchange and the circular letters of the Exchange which are related thereto shall apply to

Application of provisions mutatis mutandis

the purchase and sale of securities for the customers who are trading securities through Internet insofar as they are not contradictory to or inconsistent with these Regulations.

*16. Basket-order trading can be made through the internet, provided that the bid or offer order must not be done with the intent to give rise to trading at the Market Price. The provisions of the Regulations of the Exchange Re: Basket-Order Trading shall apply insofar as they are not contradictory to or inconsistent with the provisions in this Clause.

**Basket-order trading
through the Internet**

*(*Amended March 23, 2009)*

Notified on this 22nd day of March 2005.

(Signed) Vijit Supinit

(Mr. Vijit Supinit)

Chairman of the Board

The Stock Exchange of Thailand

Rationale of the Regulations: The Exchange deems it appropriate to revise the rules regarding the trading of securities through Internet, the connection of the member's computer system used for transmission of trading orders through Internet and the supervision of the trading of securities through Internet to enhance the efficiency, with the view to ensuring security of the Internet trading system and supporting the growth of the provision of Internet trading service by the members. Hence, it is advisable to issue these Regulations.