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**Notification of Thailand Futures Exchange Public Company Limited
Re: Guideline on Risk Management Policies and Methods for
Trading of Derivatives Contracts**

Pursuant to Clause 303.01 (6), Clause 303.02 (2), and Clause 303.03 (7) of the Thailand Future Exchange Regulations, Thailand Future Exchange may prescribe membership qualifications. The member shall ensure that there are risk management policies and methods as well as measures for controlling and monitoring the operations accordingly. In addition, Clause 308.01 (1) and (2), Clause 308.03, and Clause 308.05 (1) and (2) of the said Regulations also provide that member has the duty to maintain membership qualifications at all times and comply with the laws, regulations, circulars, or orders, as well as ensure that there is proper internal control system to control and monitor the performance of the executives, employees, and operating staff of the member to be in compliance with the above Regulations.

For the member to have proper internal control system and sufficient risk management measures to prevent possible risks arising from operation of derivatives contracts trading business, Thailand Futures Exchange requires the member to:

1. Ensure that there are policies and methods to manage risks arising from operation of derivatives contracts trading business to completely cover credit risk, operational risk, market risk arising from changes in price of derivatives contracts or price of commodities or variables underlying the derivatives contracts, and legal risk, which can efficiently support the operation of derivatives contracts trading business, including the measures for controlling and monitoring the operations to be in accordance with such risk management policies and methods.

2. In case the member trades Single Stock Futures by way of Block Trading Transaction, the member must ensure that there are risk management policies and methods in respect of such trading which shall be in accordance with the Guideline on Block Trade for Single Stock Futures prescribed by Futures Industry Club, Association of Thai Securities Companies dated 26 August 2022 where related to internal control and risk management of member company, including the measures for controlling and monitoring the operations to be in accordance with such risk management policies and methods.

This Notification shall become effective from 6 May 2023 onwards.

Notified on 19 April 2023.

(Signed) Rinjai Chakornpipat
(Miss Rinjai Chakornpipat)
Managing Director