

The Charter of the Board of Directors of Thailand Futures Exchange PCL.

Forward

The Charter of the Board of Directors of Thailand Futures Exchange PCL. (“**Board**”) has been prepared to designate the role, duty and responsibility of the Board to be consistent with the law and the regulations of the regulator under the principle of good corporate governance, and to conform to the good corporate governance of the Stock Exchange of Thailand (“**SET**”). The Board believes that the performance of work in adherence to such guideline will promote confidence in the company as a subsidiary company of the SET’s group, develop transparency and fairness in its operation, enhance the competitive strength and capability, and create long term confidence for all investors and relevant stakeholders.

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1. Definition

- “Charter” means The Charter of the Board of Directors of Thailand Futures Exchange PCL.
- “Company” means Thailand Futures Exchange PCL.
- “Board” means The Board of Directors of Thailand Futures Exchange PCL.
- “Director” means Director of Thailand Futures Exchange PCL.
- “Managing Director” means Managing Director of Thailand Futures Exchange PCL.

2. Composition of the Board

2.1 The Board shall comprise of at least 5 Directors as prescribed by the Law.

2.2 The Board shall comprise of members equipped with diverse knowledge, expertise and experience, and who are experts in securities business, derivatives business and other related businesses, which are beneficial to the operation of the Company’s business. On this basis, the law stipulates that at least two out of five of the Directors shall be persons with the ability to look after the benefits of members, investors or persons related to the Company at the ratio pursuant to the notifications of the relevant supervisory authorities.¹ In addition, the Directors shall not possess the characteristics prohibited by the law.

2.3 The Chairman of the Board shall not be the same person as the Managing Director in order for the performance of duty by the Board to be independent from the executive. The Managing Director shall be directly responsible to the Board in the performance of his or her management work.

2.4 The Board should have the Company Secretary to support the performance of duty by the Board by offering advice on the various laws and rules that the Board ought to be informed about, being in charge of the Board’s activities, and coordinating to ensure compliance with the Board’s resolutions.

¹ At present, the Notification of the Capital Market Supervisory Board stipulates that at least two out of five of the Directors shall be persons with the ability to look after the benefits of members, investors or persons related to the Company. At least one of these Directors shall be an investor or a person with the ability to look after the benefits of investors, and at least two of these Directors shall be persons involved in business related to futures traded or to be traded within the Company or business related to the trading of assets in such futures.

3. Appointment of Directors

The Board shall comply with the provisions of the law prescribes as follows

3.1 Directors shall be appointed and dismissed by the shareholders' meeting.

3.2 The Board has the power to elect one of the Directors as a chairman of the Board, and in case where the Board deems appropriate, it may elect one or more Directors to assume vice-chairmanship.

3.3 The Board has the power to appoint one of the Directors as Managing Director as it deems appropriate.

3.4 In an event a Director vacates his or her office for reason other than the expiration of his or her term, the Board may appoint another person possessing the qualifications and being under no prohibition under the law as a replacing Director, unless the remaining term of such Director is less than two months. Such replacing Director shall hold office only for the remaining term of the Director whom he or she replaces.

4. Term of Appointment

A Director's term of appointment shall be as prescribed by the Company's Articles of Association, and upon the vacancy of his or her office, he or she can be re-appointed.

5. The Board's Responsibility

5.1 The Board has the responsibility to ensure that the management of the organization is in accordance with the law, objectives, goal, Articles of Association and resolutions of the shareholders' meetings, while exercising duty of care and duty of loyalty and bearing in mind the best interests of the Company and shareholders.

The Board shall strictly adhere to all the relevant provisions of the law, good corporate governance and code of conduct of the Company as principle in the performance of its duties in order to achieve balanced interests and create value for all parties concerned.

5.2 The Board shall devote time for the effective performance of duty as Directors, and each Director shall dedicate sufficient time in order to discharge his or her duty and responsibility to the best of his or her ability.

5.3 The Board shall appoint Committees or working groups in order to comply with the Company's criteria and Articles of Association, and may appoint other additional Committees or working groups to perform certain duty as the Board deems appropriate.

6. The Board's Duty

6.1 Prescribe policy, objectives and goal of its operation that helps create enduring value for the business, supervise and follow up on the performance of the Company in its operation as the Futures Exchange as well as other related services, while having source of fund sufficient to accommodate the operation and risk in various aspects that may arise from the business operation and having work system and operation which are effective, secure, safe, transparent and fair, and encourage the use of innovation and technology for the development of business operation on an enduring basis.

6.2 Prescribe criteria and resolutions for the Board in relation to the business operation as the Futures Exchange including sufficient measures to enhance and maintain security, confidence, transparency and fairness in trading and supervision of futures trading.

6.3 Ensure there is in place effective internal control system and risk management system, and effective and independent audit system, prescribe policy on business continuity management to create confidence, stability and security for the Company, ensure that conflict of interests that may arise is appropriately managed, and implement mechanism for the receipt of complaints and procedure to be followed in an event of investigation.

6.4 Ensure there are preparation and disclosure of financial information which reflects the correct financial condition and operating result in accordance with the accounting standard prescribed by the law on accounting.

6.5 Clearly and appropriately determine the powers of undertaking of the management team.

7. The Managing Director's Role, Duty and Responsibility

The Managing Director's role, duty and responsibility are to supervise and manage the Company's business in accordance with the policy, operation plan, objectives, Articles of Association, the resolutions of the Board's meetings and shareholders' meetings, carry out any undertakings in compliance with the laws and rules related to the Company's business operation, and report on important operating result on a regular basis to the Board.

8. The Board's Meeting

8.1 The Board's meetings shall be planned for whole year in advance so that the Directors can allocate their time to attend the meeting on each occasion.

8.2 The Board's meeting shall be convened at least once every quarter to enable the Board to supervise and oversee the performance of the management team on a continuous basis. The Chairman of the Board may convene additional special meeting sessions as necessary.

8.3 The Chairman of the Board and the Managing Director shall jointly decide on the agenda of the Board's meetings.

8.4 The Company Secretary has the duty to issue notice of meeting clearly specifying the agenda of the meeting together with sufficient supporting documents for the Directors to study at least 7 days in advance prior to the meeting date, except in urgent cases where the documents can be subsequently delivered.

8.5 The Directors may request additional information required for their decision-making from the management team through the Company Secretary.

8.6 The Company Secretary has the duty to prepare the minutes of the Board's meeting containing complete details and to present it at the next Board's meeting for approval, as well as systematically keeping the minutes and supporting documents for future search.

9. Self-Assessment

The Board shall consider arranging for the assessment of the entire Board work performance at least once a year to consider the work result, problems and obstacles confronted during the preceding year in order to enhance the effectiveness of the Board and management team's performance.

10. Development of Directors

10.1 The Board ensures there will be introduction of the overview of the Company's operation and operation plan, as well as the role, duty and responsibility of Directors to the new Directors prior to their first attendance to the Board's meeting.

10.2 The Board encourages constant and continuous development of the Directors' knowledge in various forms such as training, seminar, lecture, self-education, consultation or acknowledgement of information or knowledge which is up-to-date and consistent with the ever-changing situation, and overseas business trip, etc.

11. Revision of the Charter

The Board stipulates that the Charter's adequacy and appropriateness be revised and assessed on a regular basis, and that revisions be made to the Charter as materially necessary. On this basis, the management team will propose such revision to the Board for consideration and approval.

Board of Directors of Thailand Futures Exchange PCL.

Approved on 3 April 2017