

YUANTA Securities (Thailand) Company Limited

Policy and Guideline on Preventing Conflicts of Interest and Misuse of Insider Information

Yuanta Securities (Thailand) Company Limited (“the Company”) recognizes the importance of good corporate governance. The company expects all staffs to perform their duties according to the operational standard with efficiency and transparency so the Company sets up the “Policy and Guideline on Preventing Conflicts of Interest and Misuse of Insider Information (Policy)” for the staffs to strictly follow in order to prevent conflicts of interest. This will help to promote the sound business operation of the Company and also create the confidentiality of our customers and all concerned parties.

Part 1 Definition of Terms

Insider Information means information about the securities / derivatives trading or other products of the Company, which including:

- 1) Customers’ information i.e. personnel information, trading information, credit evaluation, any other information of the customers which kept in the Company.
- 2) Facts which have material impact on the price of securities / derivatives or other products that have not been disclosed to the public which the staffs obtained from performing their duties.
- 3) Other information that should be kept confidential.

Conflicts of Interest means conflicts of interest between customers and the Company or customers and persons related to the business of the Company or between customers themselves.

Conflicts of Interest that may arise in the operation of the Company are as follows:

- 1) Unfair Treatment of customers within the same customer type.
- 2) Using insider information which the staffs obtained from performing their duties or disclosing such insider information to other persons for their private benefits.
- 3) Entering into a transaction by taking advantages of the customers’ trading information/ transactions.
- 4) Receiving compensation or other benefits, whether in the form of money, goods, or services from any persons other than what the Company should receive from the normal operating business.
- 5) Receiving compensation or other benefits which will benefit any particular customer which makes the discrimination / unfair treatment of another customer within the same customer type.
- 6) Failing to provide appropriate services to customers or provide services which is inconsistent with the service that the customers deserve to receive, just because the Company can get benefits from such actions / transactions or due to the conflicts of interest between customers.
- 7) Excessive transactions, such as soliciting or encouraging customers to make frequent transactions than necessary, or transacting for customers with a particular counterparty more often than necessary. This is an action that cannot find any reason or necessity to support it.

Part 2

Governance Policy and Principles for Preventing Conflicts of Interest and Misuse of Insider Information

No 1. The Company will operate the business with regard to the principles of good corporate governance as follows:

1) Good Corporate Governance

The Company will eliminate the conflicts of interest with cautions, honesty and independence within the framework of good ethics as well as having complete disclosure of information for the overall benefits of the customers.

2) Statement of Business Conduct

The Company adheres to the code of conduct in business and has a duty to ensure transparency in the operation and does its best to protect assets and to maintain the Company's reputation and fairness to all parties who have a business relationship with the Company, and to avoid biases or situations that cause conflicts of interest.

3) Code of Conduct

The staffs of the Company must comply with the code of conduct without seeking personal benefits that conflict with the interests of the Company or customers and must not allow his or her own personal interests to influence decisions that deviate from the principles taking into account the interests of customers and the Company only.

No 2. The company must have organization structure which segregates duties and responsibilities of staffs who have conflicts of interest.

No 3. All transactions of the Company must be considered with cautions for the overall benefits of the Company, customers and shareholders without the conflicts of interest. Therefore, the directors and staffs of the Company who may have conflicts of interest in the business transactions must disclose the conflicts of interests to the Company and must not participate in the consideration or the process of approval for such transactions.

No 4. The Company has a policy not to permit its staffs to receive gifts, rewards and any other benefits related to business operations of the Company from customers, business partners or service providers. However, this does not apply to gifts or hospitality on occasions according to customs, traditions or according to common social etiquette which must not cause conflicts of interest in performing the duties of the staffs in the Company with a value not exceeding 3,000 baht. In the event that the gift exceeds 3,000 baht, the staffs must seek approval from the highest supervisor of the reporting line and notify the Compliance and Internal Audit Department for acknowledgment.

No 5. The Company has a policy not to support corruption and prohibits its staffs from bribing, giving back or giving money to individuals, business partners or government officials in return for obtaining improper business benefits or bring influence when conducting business of the Company. However, the staffs of the Company can give the gifts or hospitality on occasions according to customs, traditions or according to common social etiquette which must be done in a transparent manner. Such giving or receiving must not cause any advantage through improper actions or is a clear exchange or covertly in order to obtain help or benefits resulting in consent lenient on improper business deals or affect business decisions of the Company which must be in accordance with the relevant laws.

No 6. Directors, executives and staffs of the company cannot become a partner or serve as a director of a private company or other public company which operates businesses with the same condition and is competing with the Company's business.

Part 3

Measures for the Prevention and Management of Conflicts of Interest and Misuse of Insider Information

No 1. The Company must have organization structure which segregates duties and responsibilities of staffs of the Company who have conflicts of interest. The segregation includes both the working area (physical segregation) and information access.

No 2. The Company must have proper segregation between front and back offices. The front office staffs of the Company are not permitted to access to the information of the back office staffs.

No 3. The access of information of each staff / department of the Company must be on the principles of "need-to-know basis" and must not cause the conflicts of interest.

No 4. The Company must have a policy requiring all staffs of the Company to open equity / derivative trading accounts and/or other financial products within the Company under the account administrator specified by the Company. All staffs of the Company must strictly comply with the Company's regulations regarding the staff trading rule.

No 5. The Company must have list of securities where need to be monitored (Watch List & Restricted List). These lists will be used as a tool to monitor the trading of staffs / proprietary accounts in order to evaluate the sufficient control on the Company's Chinese Wall system.

No 6. The transactions, between the Company and its affiliate Company for the benefits of the customers, must be considered with cautions and must be treated as normal transactions with persons who are not related (at arm's length transaction). The conflicts of interest of such transactions must be disclosed to the customers for acknowledgement.

No 7. In case that conflicts of interest cannot be avoided, customers must be informed of the conflicts of interest for their consideration.

No 8. Proprietary Trading accounts must be operated with cautions. The interest of the customers must be put ahead of the interest of the Company when there is a possible conflict of interest.

No 9. The staffs of the Company are prohibited to disclose any Insider information directly or indirectly to other persons.

No 10. The staffs of the Company are prohibited to take advantages of customers by using Insider information for the purpose of trading for themselves, for the Company, or for related persons.

No 11. The staffs are prohibited to front run the customers' transactions for the benefit of the Company or other persons.

No 12. The staffs are prohibited to use the information obtained from research paper of the company prior to the publishment of such research paper to the customers.

No. 13. The staffs of the Company are prohibited to take any benefits for the Company by making the customers to absorb any costs.

Part 4 Monitoring and Control

No 1. The head of each department of the Company has duty and responsibility to oversee the staffs under his / her supervision to ensure compliance with this policy.

No 2. The Company's Compliance and Internal Audit Department has duties to monitor, follow up and evaluate the sufficient of internal control to ensure compliance with this policy.

No 3. The Company has a policy to regularly review the appropriateness of the measures and systems of this policy or when there is any event that may affect the prevention of conflicts of interest or misuse of insider information.

No 4. The staffs must strictly comply with this policy. Failure to comply with this policy and cause damages to customers and/or the Company, may lead to disciplinary action against the staffs.