

(Unofficial Translation)

This translation is for the convenience of those unfamiliar with the Thai language.

Please refer to the Thai text for the official version

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AIMC Logo

Notification of the Association of Investment Management Companies

No. SorJorKor. KorChor. 2/2545

**Re: Rules and Procedures for the Valuation of An Asset Which a Provident Fund Received
as Payment-in-Kind for the Calculation of the Provident Fund's Net Asset Value**

By virtue of clause 5 of the notification of the Securities and Exchange Commission No. KorNor.40/2544 Re: Rules and Procedures for Provident Fund Management for Case Where an Issuer or Debtor Defaults, dated 16 November B.E.2544, the management company shall value a payment-in-kind obtained from a debt settlement in the calculation of the provident fund's net asset value according to rules to be prescribed by the Association. Hence, by virtue of clause 25 of the Regulations of the Association of Investment Management Companies, the board of directors of the Association of Investment Management Companies hereby issues the following rules. This Notification shall be an integral part of the notification of the Association of Investment Management Companies No. SorJorKor. KorChor. 3/2544 Re: Rules and Procedures for Determining the Fair Value of Investments for Calculating the Net Asset Value of Provident Funds dated 21 May B.E.2544.

Clause 1 In this Notification,

"Association" refers to the Association of Investment Management Companies.

"Member" refers to a company which is a member of the Association of Investment Management Companies licensed to operate a securities business involving management of private funds that are provident funds.

"Provident fund" refers to a securities business involving management of private funds that are provident funds.

"Provident fund committee" refers to a committee comprising the representatives elected by employees and representatives appointed by the employer. The provident fund committee's duty is to oversee the overall operations of the fund and shall have the power to appoint a

management company; the committee shall also act on behalf of the fund in business transactions with external parties.

"Fair Value" shall be interpreted according to Thai Accounting Standards No. 42 Re: Accounting for Investment-Related Businesses.

"Appraiser" refers to a juristic person whose main business is to determine the value of an asset or certify an appraised value. The appraiser must be approved by the Securities and Exchange Commission.

"Immovable property" refers to land plus any property asset permanently fixed to the land or forms part of the land. It includes rights to a land or property asset permanently fixed to the land or forms part of the land.

"Movable property" refers to other assets not considered immovable property. It includes rights to such property.

Clause 2 For an asset that a provident fund received as payment-in-kind on a debt payment pursuant to clause 2, clause 3, and clause 4 of the notification of Association of Investment Management Companies No. SorJorKor. KorChor. 3/2544 Re: Rules and Procedures for Determining the Fair Value of Investments for the Calculation of Net Asset Values of Provident Fund dated 21 May B.E.2544, the valuation of this asset in the calculation of the provident fund's net asset value shall comply with clause 2, clause 3, and clause 4 of that notification, *mutatis mutandis*.

Clause 3 For an asset that a provident fund received as payment-in-kind on a debt payment that is not covered in clause 2 of this Notification, determine the valuation of this asset for the calculation of the provident fund's net asset value as follows:

(1) For Immovable property, the fair value shall be estimated by applying one of the following rules:

(a) Use the price obtained from an appraisal report, or certification of an appraisal report produced by an appraisal company, as applicable. The report date must not be older than 1 year from the provident fund's net asset value calculation date. On the date the payment-in-kind is included into the provident fund's net asset value calculation, use the price obtained from the appraisal report. The member shall ensure the value of this asset is appraised every 2 years, or

(b) Use the last traded price, which must not be older than 1 year from the provident fund's net asset value calculation date.

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(2) For movable property, the fair value shall be estimated by using that asset's last traded price which must not be older than 6 months from the provident fund's net asset value calculation date. If there is no aforementioned last traded price, the member shall use its discretion to determine its own valuation. However, the member must produce a memo to document the method and justification applied every time a valuation is conducted; submit this memo to the provident fund committee within the next business day after the valuation was conducted on that asset. If the provident fund committee does not agree, the provident committee has the right to object by explaining its reasoning for rejecting the valuation. The member and the provident fund committee should then jointly discuss to agree on a valuation which should take effect in the provident fund's net asset value on the date agreed. No retro-active adjustment is necessary

Clause 4 The estimation of fair value under clause 2 and clause 3 shall be based on the date the provident fund receives full legal entitlement to the asset, which shall be the date the asset can be included into the provident fund's net asset value calculation.

Clause 5 The member shall review the valuation of the asset which the provident fund received as payment-in-kind on a debt payment. If the value has changed significantly from the previous valuation, the member should proceed to re-value the asset according to its new price at the member's discretion. However, the member must produce a memo to document the method and justification applied every time there is a re-valuation; submit this memo to the provident fund committee within the next business day after the re-valuation was conducted on that asset. If the provident fund committee does not agree, the provident committee has the right to object by explaining its reasoning for rejecting the valuation. The member and the provident fund committee should then jointly discuss to agree on a valuation which should take effect in the provident fund's net asset value on the date agreed. No retro-active adjustment is necessary.

Clause 6 This Notification shall be effective from 1 March B.E.2545 onwards and member shall strictly comply.

Announced on 1 February B.E.2545

-Signature-

(M.L. Pakakaew Boonliang)

Chairman

Association of Investment Management Companies