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GROUND RULES FOR THE MANAGEMENT OF THE

FTSE SET INDEX SERIES

FTSE
THE INDEX COMPANY

ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

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1.0 INTRODUCTION

1.1 General

1.1.1 This paper sets out the Ground Rules for the Management of the FTSE SET Index Series. Copies of the Ground Rules are available from FTSE on the website www.ftse.com.

1.1.2 The FTSE SET Index Series is designed to represent the performance of Thai companies, providing investors with a comprehensive and complementary set of indices, which measure the performance of the major capital and industry segments of the Thai market.

1.2 FTSE SET Index Series

1.2.1 FTSE SET Large Cap Index

This index comprises the largest 30 companies by full market capitalisation that meet stated eligibility requirements.

1.2.2 FTSE SET Mid Cap Index

This index comprises the companies within the top 90% of the SET Universe by full market capitalisation. They will also need to meet the stated eligibility requirements, but are not constituents of the FTSE SET Large Cap Index.

1.2.3 FTSE SET Small Cap Index

This index comprises the constituents within the top 98% of the SET Universe by full market capitalisation. They will also need to meet the stated eligibility requirements, but are not constituents of the FTSE SET Large Cap Index and the FTSE SET Mid Cap Index.

1.2.4 FTSE SET All-Share Index

This index comprises the constituents in the FTSE SET Large Cap Index, the FTSE SET Mid Cap Index and the FTSE SET Small Cap Index.

1.2.5 FTSE SET All-Share Industry Indices

There will be 10 Industry, 19 Supersector and 39 Sector Indices comprised of the constituents in the FTSE SET All-Share Index. These industries, supersectors and sectors are defined in the Industry Classification Benchmark (ICB).

1.2.6 FTSE SET Mid/Small Cap Index

This index comprises the constituents in the FTSE SET Mid Cap Index and the FTSE SET Small Cap Index.

1.2.7 FTSE SET Fledgling Index

This index comprises the constituents listed on the SET Universe that are too small to be in the FTSE SET All-Share Index.

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1.2.8 FTSE SET Shariah Index

This index comprises the constituents of the FTSE SET All-Share Index that are Shariah compliant according to the Yasaar screening methodology.

1.2.9 Price and Total Return Indices are published at the end of each working day. The Total Return Indices are based on ex dividend adjustments.

1.2.10 The indices commenced calculation on 29th February 2008 with a starting value of 1000.

SECTION 2

2.0 STATUS OF INDICES

2.1 Calculation States

2.1.1 The FTSE SET Index Series is calculated in Thai Baht on a real time basis and may exist in the following states (except for the FTSE SET All-Share Industry Indices which are available on an end of day basis only).

a) Firm

i. The indices are being calculated during Official Market Hours (see Appendix A). No message will be displayed against the index value.

ii. The Official Closing Price for the FTSE SET Index Series will be the Exchange Official Closing Price for the whole market.

b) Closed

The indices have ceased all calculations for the day. The message 'CLOSE' will be displayed against the index value calculated by FTSE.

c) Held

During Official Market Hours, an index has exceeded pre-set operating parameters and the calculation has been suspended pending resolution of the problem. The message 'HELD' will be displayed against the last index value calculated by FTSE.

d) Indicative

If there is a system problem or situation in the market that is judged to affect the quality of the constituent prices at any time when an index is being calculated, the index will be declared indicative (e.g. normally where a 'fast market' exists in the equity market). The message 'IND' will be displayed against the index value calculated by FTSE.

e) Part

If the index is being calculated during the normal Official Index Period hours, but there are less than 75% of the constituents by capitalisation available with firm prices, then the index will be displayed with the message 'PART' to indicate that only a proportion of the securities prices are included. With the exception of the message 'PART', the index will continue to be calculated and displayed as if it were firm.

2.1.2 The official opening and closing hours of the FTSE SET Index Series are set out in Appendix A. Variations to the official hours of the indices will be published by FTSE.

2.1.3 US Dollar, Euro, UK Sterling and Japanese Yen values will be calculated on an end-of-day basis.

SECTION 3

3.0 MANAGEMENT RESPONSIBILITIES

3.1 FTSE International Limited (FTSE)

3.1.1 FTSE is responsible for the operation of the FTSE SET Index Series. FTSE will maintain records of the market capitalisation of all constituents and reserve list companies and will make changes to the constituents and their weightings in accordance with the Ground Rules. FTSE will carry out reviews and implement the resulting constituent changes as required by the Ground Rules.

3.1.2 Changes to constituent weightings will be made by FTSE in accordance with the Ground Rules. FTSE is responsible for publicising and keeping a record of all changes to constituent weightings. The weightings of constituents in the real time indices shall be used in the calculation of the end of day indices.

3.1.3 FTSE is also responsible for monitoring the performance of the FTSE SET Indices throughout the day and will determine whether the status of each Index should be Firm, Indicative, Held or Part (see Rule 2.1).

3.2 Re-calculations

3.2.1 The FTSE SET Index Series is recalculated whenever errors or distortions occur that are deemed to be significant. Users of the FTSE SET Index Series are notified through appropriate media.

3.3 Status of these Ground Rules

3.3.1 These Ground Rules are a guide to the policies and procedures applying at the date of publication to the operation and maintenance to the FTSE SET Index Series. They have been prepared and approved by FTSE and the SET. However, these policies and procedures, and their precise application, are subject to variation and periodic review.

3.3.2 The purpose of publishing this guide is to provide information about the general basis on which decisions relating to the calculation and publication of the FTSE SET Index Series are currently made.

3.3.3 In light of the intended purpose of this guide, and the likely variation and periodic review of the policies and procedures it contains, no liability whether as a result of negligence or otherwise is accepted by FTSE (or any person concerned with the preparation or publication of this guide) for any losses, damages, claims and expenses suffered by any person as a result of:

a) any reliance on this guide, and/or
b) any errors or inaccuracies in this guide, and/or
c) any non-application or misapplication of the policies or procedures described in this guide, and/or
d) any errors or inaccuracies in the compilation or any constituent data.

3.4 FTSE SET Advisory Committee

3.4.1 The purpose of the Committee is to consider and advise on matters relating to and proposed amendments to the Ground Rules governing the management of the FTSE SET Index Series and to ensure that best practice is used in the construction and ongoing management of the Indices. In particular the Committee will:

a) ensure that global standards are applied in the Ground Rules,
b) advise on how to reconstruct or replace the existing index methodology,
c) oversee the ongoing management of the indices, corporate actions and changes to Ground Rules,
d) advise on the construction and methodology of new indices.

3.4.2 FTSE and the SET will appoint the Chairman, Deputy Chairman and members of the FTSE SET Advisory Committee. The Chairman, or in his absence Deputy Chairman, will chair meetings of the Committee and will represent that Committee outside of meetings.

No member of the Advisory Committee is on the Advisory Committee to represent that member's employer but rather is there because of that person's specific expertise and to represent the interests of the industry generally.

3.4.3 A Secretary to the FTSE SET Advisory Committee is appointed to support the work of the Committee.

3.4.4 A constituent or prospective constituent company (or advisor acting on behalf of the company) may appeal against the decisions of the FTSE SET Advisory Committee on two grounds:

a) that the Committee acted outside of the Ground Rules for the Management of the FTSE SET Index Series, or
b) that the Committee, when reaching its decision, failed to take into consideration a substantial and material fact. A substantial and material fact is defined as a fact, which would have influenced the decision of the Committee if it had been considered.

A request for an appeal must be made in writing to the Secretary of the FTSE SET Advisory Committee, within a reasonable time period. Appeals will be heard by a committee appointed by FTSE and the SET. Members of the FTSE SET Advisory Committee may not serve on the Appeal Committee.

3.5 Amendments and Exceptions

3.5.1 In the event that the FTSE SET Advisory Committee or any of those responsible for the operation and administration of the FTSE SET Index Series consider that an exception should be made to any of the Ground Rules, the issue must be brought to the attention of the Chairman or Deputy Chairman of the FTSE SET Advisory Committee, who will normally put the matter to the full FTSE SET Advisory Committee for a decision. If, however, the matter is urgent, the Chairman and Deputy Chairman are collectively empowered to authorise an exception on behalf of the FTSE SET Advisory Committee but must immediately notify, and subsequently refer the matter to, a meeting of the FTSE SET Advisory Committee.

3.5.2 Where an exception is granted to the Ground Rules under Rule 3.5.1, it shall not be deemed to create a precedent for future decisions of the FTSE SET Advisory Committee.

3.5.3 Changes to the Ground Rules can only be made by the FTSE SET Advisory Committee.

3.5.4 Material changes to the Ground Rules are announced after FTSE SET Advisory Committee's meeting at which they are agreed.

SECTION 4

4.0 INDEX CONSTRUCTION

4.1 Eligible Securities

4.1.1 All classes of the ordinary shares in issue are eligible for inclusion in the FTSE SET Index Series, subject to conforming to all other rules of eligibility, free float and liquidity.

4.1.2 Companies that have a full listing on the SET Universe are eligible for inclusion in the FTSE SET Index Series. Companies listed on other boards (markets) will not be included in the FTSE SET Index Series.

4.1.3 For the purposes of the FTSE SET Index Series, where a security is listed on the SET Universe and is primary traded on the SET trading system, that security will be considered Thai for the purposes of nationality and therefore eligible for the FTSE SET Index Series, subject to conforming to all other eligibility criteria.

4.1.4 Convertible preference shares and loan stocks are excluded until converted.

4.1.5 Companies whose business is that of holding equity and other investments (e.g. Investment Trusts) which are assumed by the Industry Classification Benchmark as Subsector equity investment instruments (8985) and Non-equity investment instruments which are assumed by the Industry Classification Benchmark as Subsector non-equity investment instruments (8995) will not be eligible for inclusion. For further details on the Industry Classification Benchmark (ICB), please visit the FTSE website.

4.1.6 In accordance with Rule 4.1, all eligible listed companies will be included in the FTSE SET Index Series. FTSE will review the companies, which are proposed to be included at its semi-annual meeting. The largest eligible companies ranked by full market capitalisation, i.e. before the application of any investability weightings, comprising 98% of all companies will be included in the FTSE SET All-Share Index. The implementation will take place after the close of business on the third Friday in June and December.

4.2 Free Float

4.2.1 The FTSE SET Index Series is adjusted for free float. Free float restrictions include:

- Shares directly owned by State, Regional, Municipal and Local governments (excluding shares held by independently managed pension schemes for governments).
- Shares held by Sovereign Wealth Funds where each holding is 10% or greater. If the holding subsequently decreases below 10%, the shares will remain restricted until the holding falls below 7%.
- Shares held by directors, senior executives and managers of the company, and by their family and direct relations, and by companies that they control.
- Shares held within employee share plans.
- Shares held by public companies or by non-listed subsidiaries of public companies.
- Shares held by founders, promoters, former directors, founding venture capital and private equity firms, private companies and individuals (including employees) where the holding is 10% or greater. If the holding subsequently decreases below 10%, the shares will remain restricted until the holding falls below 7%.
- All shares where the holder is subject to a lock-in clause (for the duration of that clause).
- Shares held for publicly announced strategic reasons, including shares held by several holders acting in concert.

SECTION 4

4.2.2 For clarity, holdings not considered as restricted free float include:

- Portfolio holdings (such as pension and insurance funds)
- Nominee holdings (unless they represent restricted free float as defined by Rule 4.2.1)
- Holdings by investment companies
- ETFs

4.2.3 Free float restrictions will be calculated using available published information. The initial weighting of a constituent in the index will be applied in the following bands.

a)	free float less than or equal to 15%	=	not eligible
b)	free float greater than 15% but less than or equal to 20%	=	20%
c)	free float greater than 20% but less than or equal to 30%	=	30%
d)	free float greater than 30% but less than or equal to 40%	=	40%
e)	free float greater than 40% but less than or equal to 50%	=	50%
f)	free float greater than 50% but less than or equal to 75%	=	75%
g)	free float greater than 75%	=	100%

4.2.4 A constituent's free float will also be reviewed and adjusted if necessary upon identification of information which necessitates a change in free float weighting following a corporate event. If the corporate event includes a corporate action which affects the index, any change in free float will be implemented at the same time as the corporate action. If there is not a corporate action, the change in free float will be applied as soon as practicable after the corporate event, subject to Rule 4.2.5 below.

4.2.5 Following the application of an initial free float restriction, a constituent's free float will only be changed if its actual free float moves to more than 5 percentage points above the minimum or 5 percentage points below the maximum of an adjacent new band. This 5 percentage points threshold does not apply if the change is greater than one band; therefore a movement of 10 percentage points for the bands between 20% and 50% and 25 percentage points for the bands between 50% and 100% will not be subject to the 5 percentage point threshold.

4.3 Liquidity

4.3.1 Securities must be sufficiently liquid to be traded. The following criteria will be used to ensure that illiquid securities are excluded:

Price - an accurate and reliable price for the purposes of determining the market value of a company must exist. FTSE may exclude a security from the FTSE SET Index Series should it consider that an 'accurate and reliable' price is not available. The FTSE SET Index Series uses the last available prices from SET when available.

4.3.2 Each security will be tested for liquidity by calculation of its median daily trading per month. The median trade is calculated by ranking each daily trade total and selecting the middle ranking day. Daily totals with zero trades are also included in the ranking, therefore a security that fails to trade for more than half of the days in a month will have a zero median trade.

4.3.3 For eligibility for inclusion, securities must turnover at least 0.05% of their shares in issue (after the application of any investability weightings) based on their median daily trade per month in ten of the twelve months prior to the semi-annual review.

4.3.4 For existing constituents, securities must trade at least 0.04% of its shares in issue (after the application of any investability weightings) based on its median daily trade per month for at least eight of the twelve months prior to the semi-annual review.

4.3.5 Any period when a share is suspended will be excluded from the above calculations.

4.3.6 A security that is excluded because it fails the liquidity requirement will be excluded from all other indices for the period until the next review.

4.3.7 In exceptional market conditions, if trading volumes are very low, the FTSE SET Advisory Committee may reduce the percentage figure in order to avoid a large number of constituents being removed from the FTSE SET Index Series. This discretion may not be applied to individual securities. If the FTSE SET Advisory Committee intends to exercise this discretion, it must make a public statement to that effect at least two weeks prior to the periodic review.

4.3.8 New issues, which do not qualify as early entrants will become eligible for inclusion at the next periodic review of constituents providing they have, since the commencement of Official non-conditional trading, a minimum trading record of at least 20 trading days prior to the date of the review and turnover of a minimum of 0.05% of their shares in issue based on its median daily trade, after the application of any free float and cross-holdings, per month in each month. For example, a new issue that did not qualify as an early entrant but has traded 21 days prior to the date of the review will need to have a turnover of a minimum of 0.05% of their shares in issue based on its median daily trade, after the application of any free float and cross-holdings for one month only. The inclusion of early entries (new issues) will not require a minimum trading record.

4.3.9 There is no liquidity requirement for constituents of the FTSE SET Fledgling Index.

4.4 Shariah Screening Methodology by Yasaar

4.4.1 Yasaar will ensure that all constituents and potential constituents are screened quarterly to determine their Shariah status. An overview of the Yasaar/FTSE stock screening criteria is listed below.

4.4.2 Companies involved in the following activities will be considered to be non permitted business sectors:

a) Conventional Finance (non-Islamic Banking, Finance and Insurance, etc.)
b) Alcohol
c) Pork related products and non-halal food production, packaging and processing or any other activity related to pork and non-halal food
d) Entertainment (Casinos, Gambling, Cinema, Music, Pornography and Hotels)
e) Tobacco
f) Weapons, arms and defence manufacturing

This list is not exhaustive and is provided as a basic guidance to the broad principles involved.

SECTION 4

4.4.3 After companies have been screened by their business sector activity, the remaining companies are further examined on their finances to ensure that those companies are Shariah compliant. Only those companies that pass the following financial ratios will be considered Shariah complaint.

a) Debt is less than 33% of total assets
b) Cash and Interest bearing items are less than 33% of total assets
c) Accounts receivable and cash are less than 50% of total assets
d) Total interest and non compliant activities income should not exceed 5% of total revenue

Appropriate purification of dividends at 5%. This ratio calculates the recommended purification amount to be paid by the investor.

SECTION 5

5.0 PERIODIC REVIEW OF CONSTITUENT COMPANIES

5.1 Review Dates

5.1.1 The FTSE SET Index Series will be reviewed on a semi-annual basis in June and December based on data from the last working day of May and November. The reviews will be implemented on the next working day following the third Friday of June and December.

5.1.2 Yasaar will determine the Shariah compliant companies semi-annually on the last working day of May and November. Any changes to the FTSE SET Shariah Index will be implemented on the next working day following the third Friday of June and December.

5.1.3 Details of the outcome of the review and the dates, on which any changes are to be implemented, will be published as soon as possible after the FTSE SET Advisory Committee meeting has concluded.

5.2 Rules for Insertion and Deletion at the Periodic Review

5.2.1 The rules for inserting and deleting securities at the periodic review are designed to provide stability in the selection of constituents of the FTSE SET Index Series while ensuring that the Indices continue to be representative of the market by including or excluding those securities which have risen or fallen significantly.

5.2.2 No company can be a member of more than one of the following indices simultaneously:

FTSE SET Large Cap Index
FTSE SET Mid Cap Index
FTSE SET Small Cap Index
FTSE SET Fledgling Index

5.2.3 A company will be inserted at the periodic review if it rises above the position stated below for the relevant index when the eligible securities for each FTSE SET Index are ranked by full market capitalisation, i.e. before the application of any investability weighting:

FTSE SET Large Cap Index	-	Risen to 20th or above
FTSE SET Mid Cap Index	-	Risen to 86% or above

5.2.4 A company will be deleted at the periodic review if it falls above the position stated below for the relevant index when the eligible securities for each FTSE SET Index are ranked by full market capitalisation, i.e. before the application of any investability weighting:

FTSE SET Large Cap Index	-	Fallen to 41st or below
FTSE SET Mid Cap Index	-	Fallen to 92% or below

5.2.5 A constant number of constituents will be maintained for the FTSE SET Large Cap Index. Where a greater number of companies qualify to be inserted in an index than those qualifying to be deleted, the lowest ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the securities of the highest ranking companies which are presently not included in the index will be inserted to match the number of companies being deleted at the periodic review.

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5.2.6 A constant number of constituents will not be maintained for the FTSE SET Mid Cap Index, the FTSE SET Small Cap, the FTSE SET All-Share Index, the FTSE SET Mid/Small Cap Index, the FTSE SET Fledgling Index and the FTSE SET Shariah Index.

5.2.7 Yasaar's list of Shariah compliant companies will be used to analyse the status of each FTSE SET All-Share Index constituent using the methodology described in Rule 4.4. Any change will be implemented in the FTSE SET Shariah Index at the periodic review.

5.2.8 Where a company is deleted from either the FTSE SET Large Cap Index after FTSE has approved periodic changes to the indices, but before the periodic changes have been implemented, the highest ranking company from the new Reserve List, excluding current index constituents, will replace the deleted company.

5.2.9 Buffers will be applied to provide stability in the selection of constituents of the FTSE SET All-Share Index. Non-constituents that are within the top 97% of the SET Universe will be included in the FTSE SET All-Share Index providing they meet the eligibility requirements as outlined in Section 4. Non-constituents that are ranked below the top 97% of the SET Universe will be included in the FTSE SET Fledgling Index, providing they meet the requirements as outlined in Section 4. Existing constituents of the FTSE SET All-Share Index that are ranked below 99% of the SET Universe will be excluded from the FTSE SET All-Share Index and included in the FTSE SET Fledgling Index. The FTSE SET Fledgling constituents that rank between 97% and 99% of the SET Universe cut-offs will remain eligible for inclusion providing they meet the requirements as outlined in Section 4.

5.3 Monitoring of Eligible Companies

5.3.1 The market capitalisation of companies eligible for inclusion in the FTSE SET Index Series is monitored by FTSE. All listed ordinary securities on the SET Universe will be included in the periodic reviews.

5.4 Reserve Lists

5.4.1 FTSE will be responsible for publishing the five highest ranking non-constituents of the FTSE SET Large Cap Index at the time of the periodic review. The appropriate Reserve List will be used in the event that one or more constituents are deleted during the period up to the next periodic review.

SECTION 6

6.0 CHANGES TO CONSTITUENT COMPANIES

6.1 New Issues

6.1.1 If, in the view of the FTSE SET Advisory Committee, a new issue is so large (i.e. its full market capitalisation amounts to 2% or more of the FTSE SET All-Share Index, before application of individual constituent investability weightings) that the effectiveness of the index as a market indicator would be significantly and adversely affected by its own omission, FTSE will normally decide to include the new issue as a constituent of the FTSE SET Large Cap Index and remaining FTSE SET Indices that it qualifies for after the close of business on the first day of official trading. In all cases, advance notification confirming the timing of the inclusion of the new constituent will be given according. The security which is the lowest ranking constituent of the index will be selected for removal and placed in the Reserve List for the FTSE SET Large Cap Index.

6.1.2 If the FTSE SET Advisory Committee decides to include a new issue as a constituent security other than as part of the normal periodic review procedure, this decision must be publicly announced at the earliest practicable time.

6.1.3 For the purpose of this Rule 6.1, a company which is relisted following suspension or is reorganised or renamed or which arises from a demerger or complex reorganisation of another company which is not an existing constituent, shall not be considered to be a new issue.

6.1.4 The new issue will also be subject to the free float and cross-holdings and other requirements detailed in Section 4.

6.1.5 If a constituent is added to the FTSE SET All-Share Index it will be eligible for inclusion in the FTSE SET Shariah Index at the next semi-annual review, subject to the constituent passing Yasaar's screening methodology as described in Rule 4.4.

6.2 Deletions and Replacements

6.2.1 If a constituent is de-listed from the SET, ceases to have a firm quotation, is subject to a take-over or has, in the opinion of the Chairman and Deputy Chairman of the FTSE SET Advisory Committee (or their nominated deputies), ceased to be a viable constituent as defined by the Ground Rules, it will be removed from the list of constituents.

6.2.2 Where the company to be removed is a constituent of the FTSE SET Large Cap Index, the vacancy will be filled by selecting the highest ranking security by full market value in the appropriate Reserve List as at the close of the index calculation five days prior to the deletion and related indices adjusted in accordingly. When the company is removed, no replacement will be found for the FTSE SET Mid Cap Index, the FTSE SET Small Cap Index, the FTSE SET All-Share Index, the FTSE SET Mid/Small Cap Index, the FTSE SET Fledgling Index and the FTSE SET Shariah Index.

6.2.3 Changes to the FTSE SET Large Cap Index, the FTSE SET Mid Cap Index, the FTSE SET Small Cap Index and the FTSE SET Mid/Small Cap Index will be made automatically to the FTSE SET All-Share Index.

6.2.4 Constituents will be deleted from the index when confirmation is received that acceptance levels have reached a minimum of 85% and that any new shares of the bidding company (if applicable) are listed. A company deleted following a takeover, with a remaining free float of 15% or less, will not be re-considered for index inclusion until completion of a one year trading record.

6.2.5 Constituents removed in accordance with Rule 6.2.4, but which continue to trade thereafter, will be considered for re-inclusion to the index at the next review, subject to Section 4 and at least 6 months has passed between deletion and the implementation date of the changes arising from the review.

6.3 Mergers, Restructuring and Complex Takeovers

6.3.1 If the effect of a merger or takeover is that one constituent in the FTSE SET Large Cap Index is absorbed by another constituent, the resulting company will remain a constituent of the appropriate index, and a vacancy will be created. This vacancy will be filled by selecting the highest ranking security by full market capitalisation in the appropriate Reserve List as at the close of the index calculation five days prior to the deletion and related indices adjusted in accordance with Rule 6.1. The vacancy will not be filled for the FTSE SET Mid Cap Index, the FTSE SET Small Cap Index, the FTSE SET All-Share Index, the FTSE SET Mid/Small Cap Index, the FTSE SET Fledgling Index and the FTSE SET Shariah Index.

6.3.2 If a constituent company in the FTSE SET Large Cap Index is taken over by a non-constituent company, the original constituent will be removed and replaced by the highest ranking non-constituent in the appropriate Reserve List. Any eligible company resulting from the takeover, subject to Section 4, will be eligible to become the replacement company if it is ranked higher than any company on the Reserve List. Any eligible company resulting from the takeover, subject to Section 4, will be eligible to become a company of the FTSE SET Mid Cap Index if their respective full market capitalisations are equal or greater than the lowest ranking FTSE SET Mid Cap Index constituent. If smaller, they can be added to FTSE SET Small Cap Index if their respective full market capitalisations are equal or greater than 0.7% of the full market capitalisation of the FTSE SET Small Cap Index. If smaller than 0.7% they will be added to the FTSE SET Fledgling Index.

6.3.3 If a constituent company is split to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents in the appropriate FTSE SET Indices providing they are larger than the smallest constituent, based on their respective full market capitalisations i.e. before the application of any investability weightings and if they qualify in all other respects. For example, a FTSE SET Large Cap Index constituent split into two companies may result in one or both of these companies remaining in the FTSE SET Large Cap Index. Where both of these companies remain in the FTSE SET Large Cap Index, the smallest FTSE SET Large Cap Index constituent will become a constituent of the FTSE SET Mid Cap Index. This company will also be placed in the Reserve List for the FTSE SET Large Cap Index. Companies resulting from a split will be eligible to become a company of the FTSE SET Mid Cap Index if their respective full market capitalisations are equal or greater than the lowest ranking FTSE SET Mid Cap Index constituent. If smaller, they can be added to FTSE SET Small Cap Index if their respective full market capitalisations are equal or greater than 0.7% of the full market capitalisation of the FTSE SET Small Cap Index. If smaller than 0.7% they will be added to the FTSE SET Fledgling Index.

6.3.4 If a constituent of the FTSE SET Shariah Index merges or is taken over by a non-Shariah compliant company then it will remain in the index, subject to it being compliant with Yasaar Shariah criteria as described in Rule 4.4.

6.4 Suspension of Dealing

6.4.1 Where a constituent is suspended it may remain in the FTSE SET Index Series, at the price at which it is suspended, for up to twenty business days. During this time on advice from the SET and FTSE may agree to delete the constituent immediately either at its suspension price or at a value of zero. In the case of the FTSE SET Large Cap Index that has a constant number of constituents, replacement of constituents will be handled according to Rule 6.1. This change will be effected after the close of the index calculation and prior to the start of the index calculation on the following day. Removing a constituent at zero indicates that the stock is believed to be valueless.

6.4.2 When a suspension of a constituent lasts beyond noon on the twentieth business day (and the option to remove the constituent has not been exercised), the constituent will normally be deleted from the index on the twenty-first trading day, either at its suspension price or at zero. Where suspension is for a reason not to the detriment of the constituent, it may be retained or removed at its suspension price with the approval of the Chairman and/or Deputy Chairman (or their nominated deputies) of the FTSE SET Advisory Committee. In the case of a FTSE SET Index that has a constant number of constituents, replacement of constituents will be handled according to Rule 6.1.

6.5 Relisting of Suspended Constituents

6.5.1 Securities which, on relisting are larger than the smallest constituent of the index shall be reinstated in the index at the price at which they were removed and the lowest ranking constituent will be selected for removal. The reinstatement will happen after the close of business on the first day after the stock is relisted.

6.5.2 Securities which on relisting are smaller than the smallest constituent of the index from which they were removed when suspended shall be initially re-instated in the same index at the price at which they were removed and then included in the index, if any, for which they then meet the size criteria.

6.5.3 After a suspended stock is re-listed the timetable for the events described in Rules 6.5.1 and 6.5.2, above, shall be as follows:

After close of business on day 1	the stock will be included in the indices from which it was suspended.
After close of business on day 2	index constituents will be ranked by full market capitalisation and smallest constituent will be selected for deletion, using prices as at the close of business. FTSE will release a technical notice detailing any index changes, based on this ranking.
After close of business on day 3	all changes will be implemented as detailed in the technical notice.

6.5.4 Should a deleted constituent that has been suspended at a price other than zero (which would normally be the suspension price) be subsequently delisted and deemed to be of nil value, this stock will be included for one day's calculation in the index from which it was removed to enable the fall in the stock's value to be reflected in the index value. In this situation, the stock will be re-included at the suspension price, and its price will be zero throughout that day's calculation, including the closing price.

6.5.5 If a company relists after a continuous period of suspension lasting more than a year, FTSE reserve the right to treat the company as a new issue for the purposes of index eligibility.

6.5.6 If the procedure detailed in Rule 6.5.3 above, results in the re-instatement of a constituent of the FTSE SET Large Cap Index, and the displaced company joins the FTSE SET Mid Cap Index. This company will also be placed in the Reserve List for the FTSE SET Large Cap Index.

6.5.7 Securities, which were removed from a FTSE SET Index that does not have constant number of constituents, shall be reinstated in the index at the price which they were removed.

6.6 Changes to Constituent Weightings

6.6.1 For the purposes of computing the FTSE SET Index Series, the number of shares in issue for each constituent security is expressed to the nearest share and, to prevent a large number of insignificant weighting changes, the number of shares in issue for each constituent security is amended only when the total shares in issue held within the index system changes by more than 1% on a cumulative basis. Changes will become effective at open on the next trading day following the third Friday of March, June, September and December (subject to Rules 6.6.2 and 6.6.3).

6.6.2 If a corporate action is applied to an index constituent which involves a change in the number of shares in issue, the change in shares will be applied simultaneously with the corporate action.

6.6.3 If accumulated changes in the number of shares in issue add up to 10% or more or when an accumulated share change represents USD 2bn of a company's total market capitalisation, they are implemented between quarters. A minimum of 4 days notice will be given to users of the index. WM/Reuters Spot Rates will be used to convert the market capitalisation into USD. The USD 2bn threshold may be adjusted annually in December by FTSE. If an adjustment is made, it will be applied for the first time at the next review in June of the following year.

6.6.4 All adjustments are made before the start of the index calculation on the day concerned, unless market conditions prevent this.

SECTION 7

7.0 CHANGES TO THE CLASSIFICATION OF CONSTITUENT COMPANIES

7.1 Classification Structure

7.1.1 The FTSE SET Index Series constituents are classified into Industries, Supersectors, Sectors and Subsectors, as defined by the Industry Classification Benchmark (ICB).

7.1.2 Details of the Industry Classification Benchmark are available from FTSE and published on the FTSE website (www.ftse.com).

7.2 Classification Changes

7.2.1 Changes to the classification of a company within the FTSE SET Index Series will be advised by the ICB and the necessary adjustments will be made to the relevant industry sectors at the same time that the constituent changes are implemented.

7.2.2 Where a constituent is the subject of a merger, restructure or complex takeover which results in a constituent (or part of a constituent) being absorbed by another, the industry classification of the resulting constituent(s) will be reviewed by the ICB.

7.2.3 Any adjustment resulting from a change in a company's classification under Rule 7.2.2 will be implemented at the same time that any relevant constituent changes are implemented in the Index.

7.2.4 Periodic changes to the industry classification of a company are agreed and announced by the ICB. Such changes will be implemented after the close of the index calculation on the third Friday in March, June, September and December.

SECTION 8

8.0 INDICES ALGORITHM AND CALCULATION METHOD

8.1 Prices

8.1.1 The FTSE SET Index Series will use actual last trade prices, where available, for securities.

8.1.2 Reuters real time exchange rates are used in the real-time index calculations.

8.2 Calculation Frequency

8.2.1 The indices will be calculated in real-time and published every 15 seconds for the FTSE SET Large Cap Index and every 60 seconds for the other indices in the FTSE SET Index Series.

8.3 Index Calculation

8.3.1 The FTSE SET Index Series is calculated using the following formula:

$$IV = \frac{\sum_{i=1}^{n} ((p_i \bullet e) \bullet s_i \bullet f_i)}{d} \quad \text{for I = 1, 2, 3, ... , n}$$

n =	the number of securities in the Index.
p = Price	the latest trade price of the component security (or the price at the close of the Index on the previous day).
e = Exchange Rate	the exchange rate required to convert the security's currency into the index's base currency (if applicable).
s = Shares in Issue	the number of shares in issue used by FTSE for the security, as defined in these Ground Rules.
f = Free Float Factor	the factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float. The free float factor for each security is published by FTSE.
d = Divisor	a figure that represents the total issued share capital of the Index at the base date. The divisor can be adjusted to allow changes in the issued share capital of individual securities to be made without distorting the Index.

APPENDIX A

INDEX OPENING AND CLOSING HOURS

Index	Open	Close
FTSE SET Index Series	09:55 (02:55)	16:45 (09:45)

Notes:

1. The indices will not be calculated on Public Holidays.
2. Timings are Local hours (GMT hours in brackets).

APPENDIX B

FURTHER INFORMATION

Further information on the FTSE SET Index Series is available from FTSE and SET, who will also welcome comments on these Ground Rules and on the Index Series.

For further information on the FTSE SET Index Series please visit

Website: www.ftse.com

Or the Stock Exchange of Thailand:

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