

Hearing Conclusion

Revision Rules to Strengthen Gatekeeper Mechanisms, Issuer Duties and Empower Shareholders' Rights



The Stock Exchange of Thailand (“SET”) would like to express gratitude to everyone who participated and provided feedback on the market consultation on Revision Rules to Strengthen Gatekeeper Mechanisms, Issuer Duties and Empower Shareholders’ Rights.

SET hereby summarizes the results of the public hearing conducted through the website from July 17 to August 7, 2026. Feedback was received from three organizations, namely the Investment Banking Club (“IB Club”), the Institute of Internal Auditors of Thailand (“IIAT”), and the Thai Investors Association (“TIA”), as well as from 30 internal auditors (both in-house and outsourced), 30 listed companies, 5 financial advisors, 2 asset management companies, 2 custodians, and 2 individual investors.

In addition, SET conducted a focus group meeting on August 4, 2026, with 442 participants, including representatives from various associations, namely IB Club, the Association of Listed Companies in the Market for Alternative Investment (“maiA”), the Thailand Federation of Accounting Professions (“TFAC”), and TIA, along with listed companies, asset management companies, financial advisors, legal advisors, and individual investors. SET has therefore incorporated opinions from the focus group into this Hearing Conclusion.

1. Enhancing the Role of Internal Auditors¹

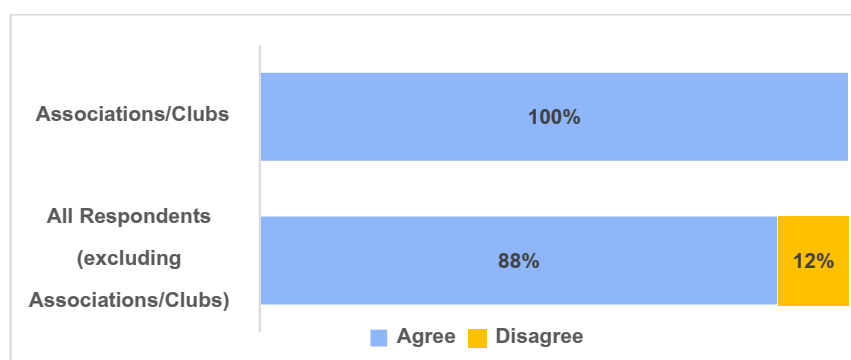
1.1. Qualifications of Internal Auditors (Listing and Continuing Obligations Requirements)

- 1) **New listing applicants on SET or mai** - The internal auditor must hold at least one of the certificates and have work experience, as prescribed by the Securities and Exchange Commission ("SEC"), as follows:

Certificates	● Certified Internal Auditor (CIA) ● Internal Audit Practitioner (IAP) ● Certified Professional Internal Audit of Thailand (CPIAT) ● Professional Internal Auditor Certificate (PIAC) ● Other certificates that the SEC may additionally prescribe on the SEC website.
Work Experience	A minimum of 5 years of total work experience, of which at least 3 years must be related to internal auditing, as verified by the audit committee.

- 2) **Existing listed companies** - Current internal auditors of listed companies must hold at least one certificate prescribed by the SEC and are exempt from the minimum work experience requirement until the company appoints a successor. Any newly appointed internal auditor must meet both the professional certification and work experience requirements prescribed by the SEC.

Summary of Opinion Received



The majority of respondents agreed with the proposal, with the following additional suggestions:

1. Suggestions on the Qualifications of Internal Auditors

Certificates

- Other relevant certificates should be added, particularly in accounting, risk management, information technology, information systems auditing, and internal control assessment, such as Certified Information Systems Auditor (CISA), Certified Public Accountant (CPA), Association of Chartered Certified Accountants (ACCA), ISO Lead Auditor, Certified in Risk and Information

¹ "Internal auditor" ("IA") means (1) In-house IA: a person appointed by the company to hold the highest responsibility for the internal audit function, or an equivalent position; and (2) Outsourced IA: a person appointed by the outsourced IA firm as the lead supervisor of the engagement, who signs the internal control/internal audit report or an equivalent report.

Systems Control (CRISC), Chartered Global Management Accountant (CGMA), and Certification in Risk Management Assurance (CRMA). This would align the requirements with the scope of internal audit work, which covers accounting, finance, information technology, and regulatory compliance.

- The IAP and CPIAT certifications are entry-level credentials that do not fully encompass the knowledge and competencies required by international standards at a level comparable to the CIA and may be insufficient for performing the duties of an internal auditor.
- Transitional qualification waiver conditions should be established to allow internal auditors currently serving in listed companies to continue in their roles – for example, having a plan to obtain the certification, or having the board certify their suitability.
- If an internal auditor does not hold a prescribed certificate, the certificate held by another member of the internal audit unit should be accepted as a substitute.
- The SEC and SET should take steps to support professional development, such as developing training programs for internal auditors and subsidizing the costs for certificate renewal.

Work Experience

- The minimum internal audit experience requirement should be increased to 5–10 years, as 3 years may not be sufficient to gain a thorough understanding of a company's operations and conduct a comprehensive risk assessment.
- A minimum of 3–5 years of management-level experience in internal audit should be required.
- Highly skilled and experienced internal auditors currently serving in listed companies should be exempt from the certificate requirements, with accumulated Continuing Professional Development (CPD) hours accepted as an alternative.
- The exemption from the minimum work experience requirement should not be granted to internal auditors of existing listed companies.
- The work experience requirements for internal auditors should be differentiated between newly listed and existing listed companies. Requirements for newly listed companies might be stricter, to ensure that their internal audit system is robust and effective from the outset.

In addition, a registry of qualified internal auditors should be established, so that listed companies and investors can verify which internal auditors are qualified and registered.

2. Suggestions on the Quality of Internal Auditors

- A minimum number of internal auditors should be prescribed according to the size of the company and the complexity of its corporate structure, to ensure the quality of internal audit.
- Quality standards for internal audit work should be prescribed to cover personnel at all levels, not only the head of the internal audit function.
- Companies should be required to assess the quality of their internal audit in a manner similar to the Quality Assurance and Improvement Program ("QAIP"), in order to evaluate and control the

quality of the internal audit function's work, with external parties holding a CIA certificate conducting periodic assessments, such as every 2-3 years.

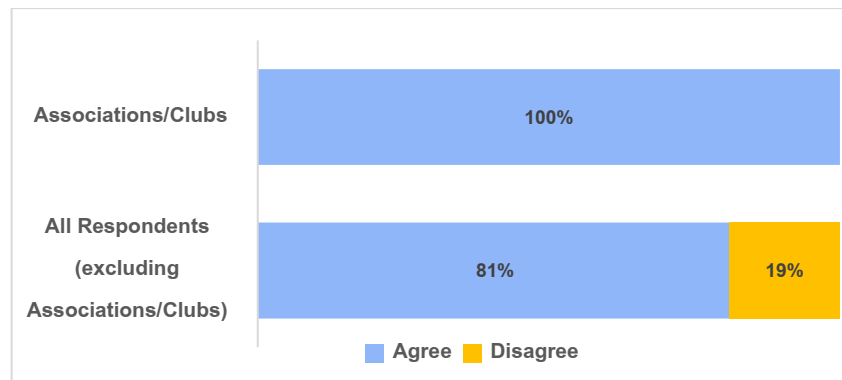
- Companies that use outsourced internal auditors (outsourced IA) should be required to appoint a coordinator who has appropriate qualifications and understanding of internal control systems.

However, those who disagreed stated that this would make it more difficult and costly to recruit qualified personnel, particularly for small and medium-sized companies, as the number of certificate holders is currently limited relative to the number of listed companies. They further suggested that greater emphasis should be placed on work experience than on certificates, with the audit committee certifying suitability.

1.2. Disclosure to Investors

Listed companies are required to disclose any change of internal auditor (resignation or appointment) within 3 business days from the date of the event, and to disclose information in the Annual Continued Listing Qualifications Assessment Form.

Summary of Opinions Received



The majority of respondents agreed with the proposal, with the following additional suggestions:

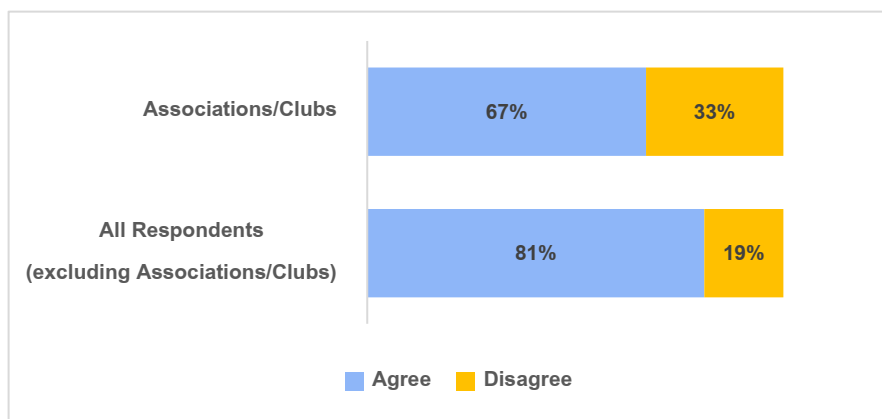
- The disclosure period for a change of internal auditor should be extended from 3 business days to 5–30 days to allow adequate time for coordination and document preparation.
- A standardized disclosure form should be introduced, specifying minimum required information such as the effective date and the reason for the resignation or change.
- Penalties should be established for listed companies that disclose inaccurate or false information, for example, naming an internal auditor who does not actually perform the role or is no longer employed by the company, or failing to report a change of internal auditor.

However, those who disagreed stated that a change of internal auditor is an internal management. Disclosure in Form 56-1 One Report should be sufficient, and separate disclosure at the time of the change is unnecessary.

1.3. Implementation Timeline

Newly listed companies on SET or mai	Existing listed companies
From January 1, <u>2028</u> (concurrently with the SEC's regulations)	From January 1, <u>2029</u> (1 year after the SEC's regulations take effect)

Summary of Opinions Received



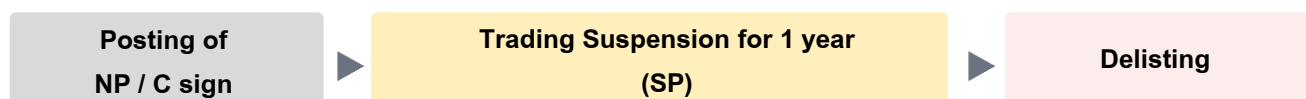
The majority of respondents agreed with the proposal, with the following additional suggestions:

- The effective date should be deferred by 1–5 years to allow listed companies and IPO-bound companies sufficient time to prepare and have their personnel obtain the required certificate.
- The rules should be phased in according to company size, for example, starting with SET50 listed companies, and then extending to SET100 and mai companies.

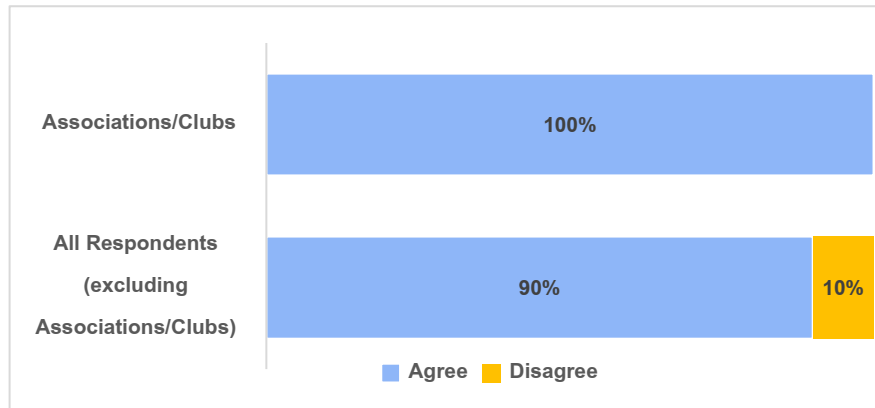
However, those who disagreed expressed views similar to the suggestions above. For example, the effective date should be extended by a further 2–5 years to allow time for preparation, and that the rules may affect IPO-bound companies. In addition, applying the rules to all listed companies in 2029 may result in a shortage of qualified internal auditors, as current supply does not meet market demand.

2. Reviewing Measures for Non-Compliance

2.1. The remediation period for listed companies under SP sign due to an insufficient audit committee (“AC”) or non-compliance with disclosure requirements is shortened from 2 years to 1 year, to encourage such listed companies to expedite remedial action to comply with the prescribed requirements, as shown in the diagram below.



Summary of Opinions Received

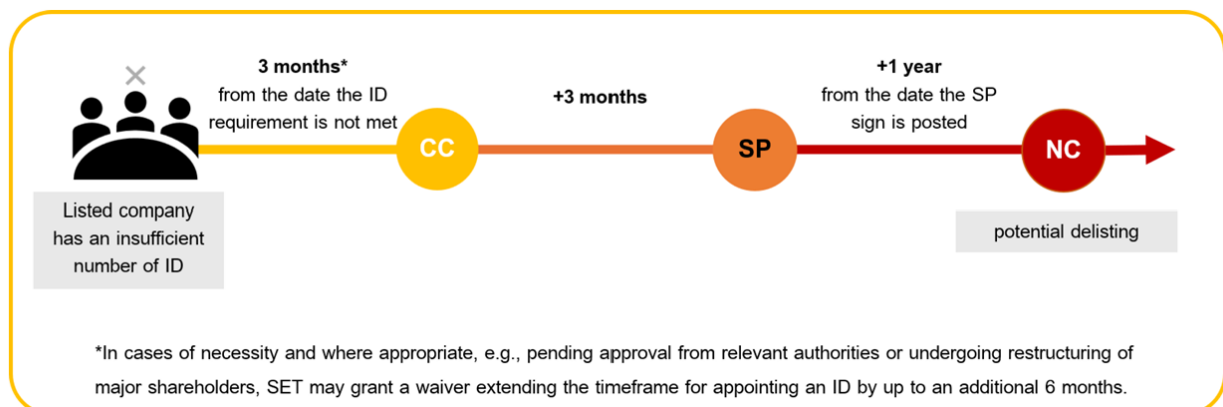


The majority of respondents agreed with the proposal, with some respondents suggesting that the appropriate remediation period should be 1.5 – 3 years.

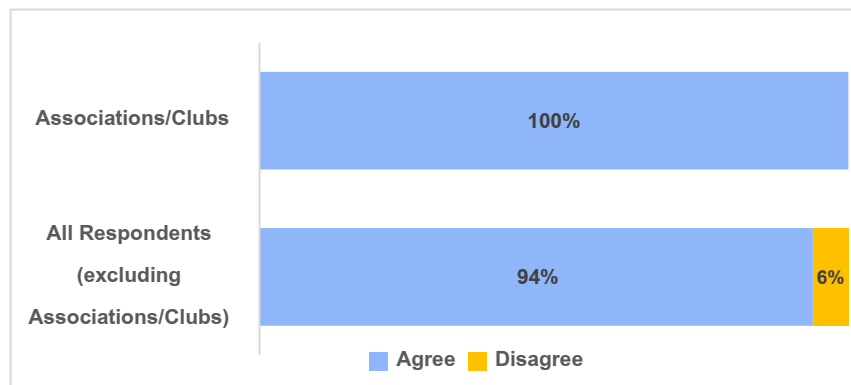
However, those who disagreed stated that the current rules are already appropriate.

2.2. Measures for an Insufficient Number of Independent Directors (ID)

The same approach as for cases with an insufficient number of AC members should be applied to encourage listed companies to promptly nominate and appoint IDs in compliance with the requirements, as follows:



Summary of Opinions Received



The majority of respondents agreed with the proposal, with the additional suggestion that the period for nominating ID should be extended to 6 months from the date the ID requirement is not met.

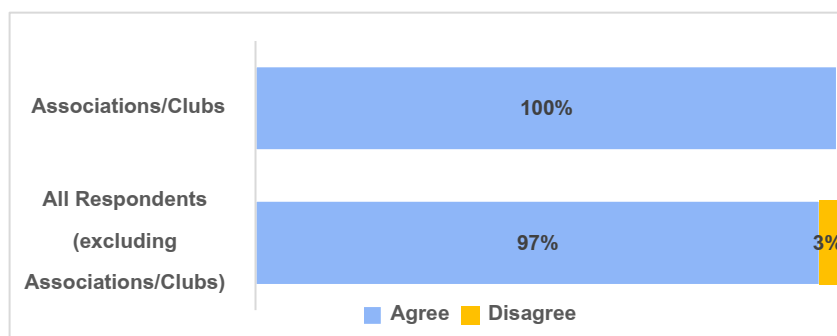
However, those who disagreed stated that the scope of duties and responsibilities of IDs and AC are different, and the same measures should not be applied.

3. Enhancing Information Disclosure by Listed Companies

3.1. Disclosure of Preventive Measures for Non-Compliance with Disclosure Requirements

Listed companies that fail to comply with the disclosure requirements are required to disclose to investors their preventive measures they will implement to prevent a recurrence of such non-compliance.

Summary of Opinions Received



The majority of respondents agreed with the proposal, with the following additional suggestions:

- Minimum required information should be prescribed, such as the cause of an issue and the remedial and preventive measures, so that investors receive clear and standardized information.
- Preventive measures should be reviewed by the board of directors or the audit committee prior to disclosure to investors.
- SET should participate in reviewing the preventive measures proposed by listed companies before disclosure, to verify that they are practicable.

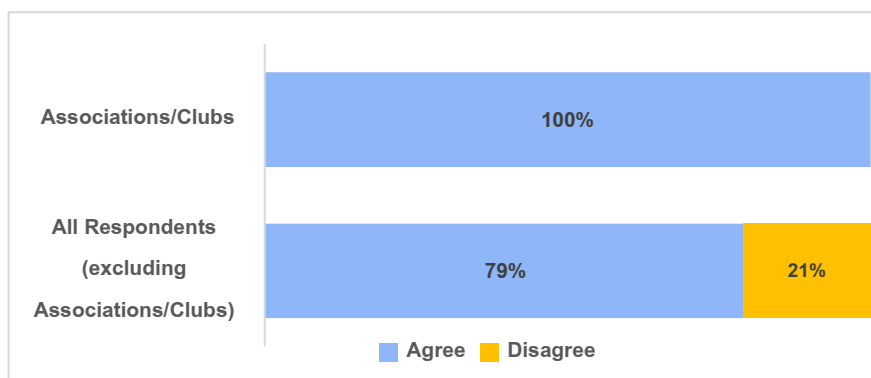
However, those who disagreed stated that such disclosure may not align with investors' interests.

3.2. Disclosure of the Annual Continued Listing Qualifications Assessment Form and Remedial Actions

Listed companies are required to disclose, on an annual basis, information on their continued listing status in the Annual Continued Listing Qualifications Assessment Form, certified by the board of directors.

Reporting Format	A checklist of the listed company's compliance with the continued listing qualifications, in the format specified by SET. In case of non-compliance, the remedial measure must be clearly specified.
Submission and Publication	Disclosed through an electronic system
Submission Period	Annually, within the due date for submission of Form 56-1 One Report.
Measures for Non-Submission Within the Prescribed Period	CC sign for 3 months → SP sign for 1 year → Delisting
Effective Date	Expected to commence together with the submission of Form 56-1 One Report for fiscal year 2026 (to be submitted in early 2027).

Summary of Opinions Received



The majority of respondents agreed with the proposal, with the following additional suggestions:

- A committee, such as the audit committee or the corporate governance committee, may certify the assessment form on behalf of the board of directors.
- The assessment form should be included as part of Form 56-1 One Report, to reduce the burden on listed companies preparing multiple reports.
- The assessment form should be submitted together with the Report on the Distribution of Minority Shareholdings ("Free Float Report"), which forms part of the continued listing qualifications assessment, so that the information is complete.
- A CC sign should not be imposed on a listed company for failing to submit the assessment form, as this does not indicate that the listed company no longer meets the continued listing qualifications.

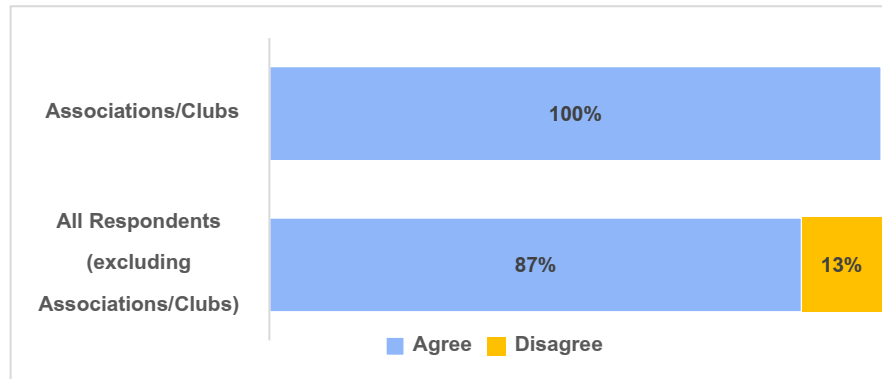
Some respondents supported the disclosure of the assessment form, they disagreed with starting disclosure in 2027, suggesting that the effective date should be extended by a further 1–2 years to provide listed companies sufficient time to understand and prepare for compliance. Others opposed the disclosure requirement altogether, viewing it as an added burden on listed companies.

4. Empowering the Exercise of Shareholders' Rights at Shareholders' Meetings

4.1. Promoting the Use of the e-Proxy Voting System

Listed companies are required to provide investors with the option of appointing a proxy through electronic channels, either by using the e-Proxy Voting system of the Thailand Securities Depository Co., Ltd. ("TSD") or another service provider. To promote equal exercise of voting rights by all shareholders and to enable shareholders to choose the channel that best suits them.

Summary of Opinions Received



The majority of respondents agreed with the proposal, with the following additional suggestions:

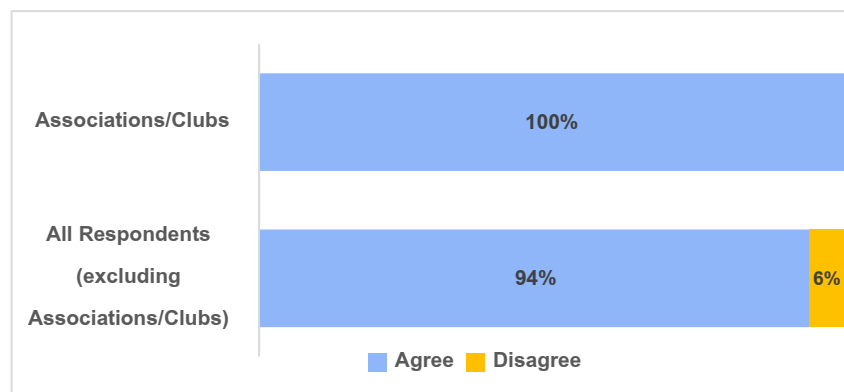
- Standards should be established for identity verification, cybersecurity, personal data protection, evidence retention, and backup systems.
- The readiness and costs of listed companies and shareholders should be assessed before the rules take effect.

However, those who disagreed stated that the current practice is already appropriate.

4.2. Electronic Delivery of the Notice of Shareholders' Meeting and Supporting Meeting Documents

Listed companies are required to deliver the shareholder meeting invitation and meeting documents in electronic format via QR Code Sealer, as prescribed by TSD, as the primary approach in place of paper delivery. However, shareholders may request paper copies from listed companies to ensure all groups of shareholders have equal access to information.

Summary of Opinions Received



The majority of respondents agreed with the proposal, with the following additional suggestions:

- Listed companies should be allowed to set appropriate criteria or procedures for requesting meeting documents in paper form, to prevent abusive or excessive requests.
- A link for downloading the documents should also be provided for shareholders who are unable to use QR codes.
- The delivery of paper documents should be discontinued, as it is a cost burden on listed companies.

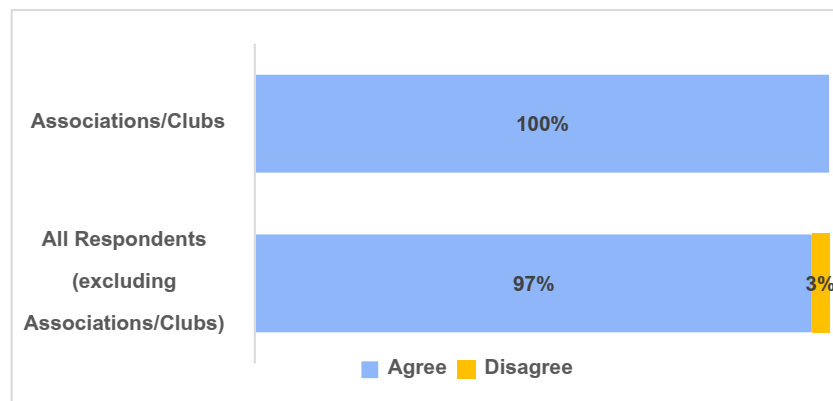
However, among those who disagreed, some raised concerns that the shift to QR codes could hinder access to the information for elderly shareholders or those with limited technological skills. Conversely, some respondents viewed that the requirements to provide paper documents upon shareholders' request as operational burden that creates additional costs for listed companies.

5. Extending the Principles under Sections 1–4 to Other Types of Listed Securities

To ensure consistent standards across other listed securities, such as trusts and mutual funds, ETFs, DW, and DR, SET will consider applying the principles proposed under section 1–4 to their criteria. This will be done only where appropriate to each type of security, with due regard to investor protection while avoiding undue burden on issuers.

5.1. The remediation period for listed companies under SP sign due to an insufficient audit committee (“AC”) or non-compliance with disclosure requirements is shortened from 2 years to 1 year. This will also apply to trusts and mutual funds.

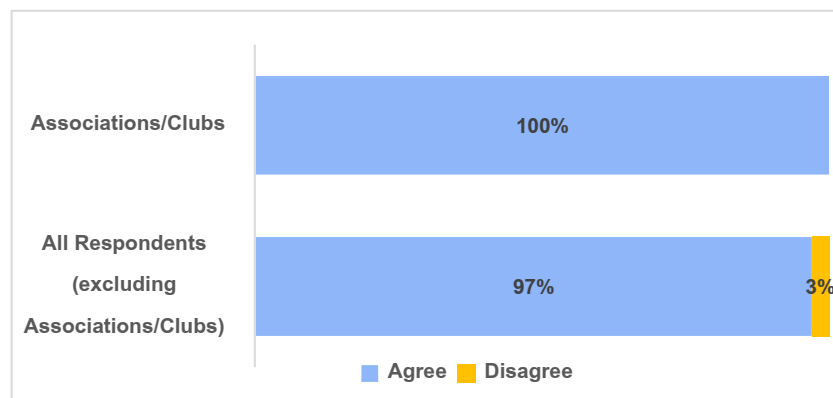
Summary of Opinions Received



The majority of respondents agreed with the proposal, with an additional suggestion that procedures should be established for issuing warnings, preparing remediation plans, disclosing progress, and providing an opportunity to clarify before applying SP and delisting measures.

5.2. The disclosure of preventive measures for non-compliance with disclosure requirements will be applied to other types of listed securities, such as trusts and mutual funds, ETFs, DW, and DR.

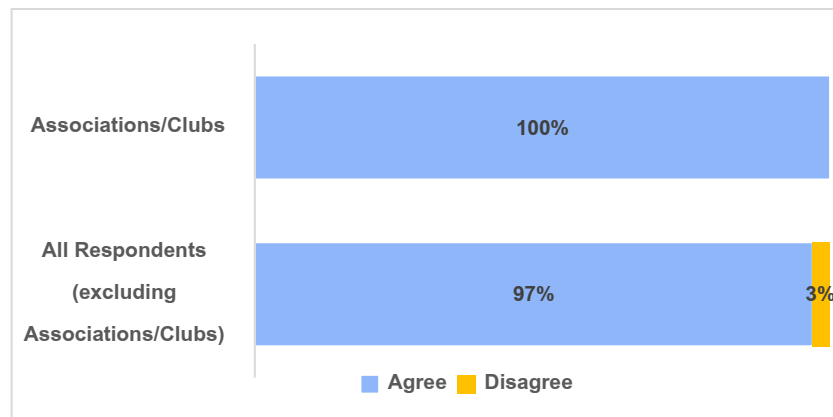
Summary of Opinions Received



The majority of respondents agreed with the proposal, with an additional suggestion that the disclosure framework should be defined to suit the characteristics of each type of security, with clear identification of the responsible parties and the key content to be disclosed. This is because each type of security has a different governance structure and different risks.

5.3. The following measures to empower the exercise of shareholders' rights at shareholders' meetings will be applied to other types of listed securities, such as trusts and mutual funds, ETFs, DW, and DR: (1) the use of the e-Proxy Voting system, and (2) the delivery of shareholder meeting invitation and meeting documents in electronic format via QR Code Sealer.

Summary of Opinions Received



The majority of respondents agreed with the proposal, with an additional suggestion that practices should be tailored to each type of security, as their meeting organizers and voting-right holders differ in structure from those of ordinary listed companies.

Other suggestions

- The effective date should allow for practical and effective implementation, with an appropriate lead time, for example, at least 1 year after the announcement is issued. Training should also be provided for relevant parties to communicate and build understanding, so that they can prepare before the criteria take effect and comply correctly.
- A balance should be maintained among investor protection, enhanced governance, and avoiding undue burden on securities issuers.

SET's Forthcoming Actions

SET will take the feedback and recommendations received into consideration to further refine the relevant criteria.