



**CHARTER**  
**OF**  
**GEMADEPT CORPORATION**

**ADOPTED BY RESOLUTION OF  
GENERAL MEETING OF SHAREHOLDERS ON MAY 19, 2008**

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## INTRODUCTION

This Charter was approved by Shareholders of Gemadept Corporation in accordance with the valid resolution of the General Meeting of Shareholders officially held **on 19<sup>th</sup> May, 2008.**

### I. DEFINITION OF TERMS IN THE CHARTER

#### Article 1 Definitions

1. In this charter, the following terms shall be construed as follows:
  - a. “Charter capital” means the amount of capital contributed by all shareholders and stated in article 5 of this Charter.
  - b. “Law on Enterprises” means the Law on Enterprises 60-2005-QH11 passed by the National Assembly on 29 December 2005.
  - c. “Date of establishment” means the date the Company is granted a business registration certificate.
  - d. “Manager” means the managing director or chief executive officer, deputy managing director or deputy chief executive officer, chief accountant and any other manager in the Company approved by the Board of Management.
  - e. “Related person” means an individual or organization stipulated in article 4.17 of the *Law on Enterprises*.
  - f. “Duration of operation” means the duration of operation of the Company stated in article 2 of this Charter and the duration of operation (if any) as approved by the the General Meeting of Shareholders in a resolution.
  - g. “Vietnam” means the Socialist Republic of Vietnam.
2. In this Charter, any references to one or more other provisions or documents shall include amendments to or documents replacing such provisions or documents.
3. Headings (chapters and articles of this Charter) are for convenience only and shall not affect the contents of this Charter.
4. Any words or terms defined in the Law on Enterprises shall have the same meaning in this Charter (if such word or term is not contrary to the subject or context).

## **II. NAME, FORM, OFFICE, BRANCH, REPRESENTATIVE OFFICE AND OPERATIONAL DURATION OF THE COMPANY**

### **Article 2 Name, form, office, branch, representative office and duration of operation of the Company:**

1. Name of the Company:
  - Vietnamese name: **Công ty Cổ phần Đại lý Liên hiệp Vận chuyển**
  - English name: **Gemadept Corporation**
  - Transaction name: **Gemadept Corporation**
  - Abbreviated name: **Gemadept Corporation**
2. The Company is a shareholding company having legal entity status in compliance with the current law of Vietnam.
3. Registered office of the Company is:
  - **Address: Gemadept Tower, 6 Le Thanh Ton street, Dist 1, HCMC**
  - **Telephone: 84-8-8 236 236**
  - **Fax: 84-8-8 235 236**
  - **Email: info@gemadept.com.vn**
  - **Website: www.gemadept.com.vn**
  - **Logo:**



4. **The General Director or chief executive officer shall be the legal representative of the Company.**
5. The Company may establish its branch and representative office in the locality in which the Company conducts business in order to carry out the objectives of the Company in compliance with the resolutions of the Board of Management and as permitted by law.
6. Unless duration of operation is terminated before the expiry of such duration in accordance with articles 50.2 and 51 or the duration of operation is extended in accordance with article 52 of this Charter, the duration of operation of the Company shall commence from the date of establishment and shall be **unlimited**.

## **III. OBJECTIVES AND SCOPE OF BUSINESS AND OPERATION OF THE COMPANY**

### **Article 3 Objectives of the Company:**

A. Lines of business of the Company are:

1. **To invest, to build and to operate sea port, river port, air cargo terminal. To**

**perform all kinds of stevedoring services.**

- 2. To offer multi-modal transport services, to transport passengers and all kinds of cargo including containers, out of gauge cargo by sea, air, river way and inland trucking**
- 3. To provide Logistics services; to build, to operate and to trade all kinds of warehouses, container yard and depot; to provide customs brokerage.**
- 4. To provide shipping agency services, container liner agency services, freight forwarding services, ship's chandler and other related shipping services.**
- 5. To sell, purchase, manage, operate, repair, newly build and charter all types of ocean vessels, river ships, containers, cranes, forklifts and other equipments, materials, spare parts for transportation, port operation and logistics.**
- 6. To manage and man crew members.**
- 7. To undertake direct import and export. To act as petrol trading agency. To exploit mineral.**
- 8. To invest, construct, manage, trade and operate real estate, office buildings, restaurant, café, hotels, resorts, apartments, residential area, trading center and industrial park.**
- 9. To undertake financial investment; to trade stocks; to make financial contribution to banks, securities companies, fund management companies and to involve in other financial activities**
- 10. To undertake other business activities which are decided by Board of Management in each time period.**

**B. The objective of the Corporation is:**

- 1. To develop Gemadept as a Holding Group of diversified businesses; leading in shipping industry; developing fast and sustainably on basis of port operation, transport and logistics as core business.**
- 2. To maximize profit for the company and shareholders by promoting business, implementing new technologies and know-how and best managing resources.**
- 3. To extend the network and business to international market.**
- 4. To develop human resource and ensure both righteous interests and good working environment for the labors.**
- 5. To fulfill all obligations towards the Government, to contribute to the prosperous development of the country.**

## **Article 4 Scope of Business and Operations**

1 The Company shall be permitted to make plans and carry out all business activities in accordance with its business registration certificate and this Charter and in compliance with current law, and shall be permitted to apply appropriate measures to achieve the objectives of the Company.

2 The Company may carry out business activities in other fields permitted by law and approved by the Board of Management.

## **IV. CHARTER CAPITAL, SHARES, FOUNDING SHAREHOLDERS**

### **Article 5 Charter capital, shares, founding shareholders:**

**1. Charter capital of the Company is mentioned in the Business Registration Certificate issued by HCMC Department of Planning and Investment and will be changed periodically.**

**The total number of shares will be the division between charter capital of the Company and the par value which is VND 10,000.**

2. The Company may increase its charter capital with approval of the General Meeting of Shareholders granted in accordance with law.

**3. Shares of the Company may comprise ordinary shares, controlling shares, special shares, preference shares and others as per lawful regulation and in conformity with that of State Securities Commission.**

4. The Company may issue other classes of preference share after approval of the General Meeting of Shareholders is obtained in accordance with law.

5. Existing shareholders shall be given priority to be offered ordinary shares for sale in the ratio corresponding to their ownership percentage of ordinary shares in the Company, except where otherwise stipulated by the General Meeting of Shareholders. The Company must provide a notice of the offer for sale of shares which specifies the number of shares to be offered for sale and an appropriate period for subscription (at least twenty business days) so that shareholders may subscribe to purchase. The shares for which shareholders may not subscribe to purchase shall be decided by the Board of Management of the Company. The Board of Management may allocate such shares to entities in accordance with the conditions and manner which the Board of Management thinks appropriate, but shall not be permitted to sell such shares on conditions more favourable than the conditions offered to existing shareholders, except where otherwise agreed by the Board of Management or where shares are sold via the Stock Exchange/Securities Trading Centre.

6. The Company shall be permitted to purchase its own shares (including redeemable preference shares) in the manner stipulated in this Charter and the current law. Ordinary shares redeemed by the Company shall be fund shares which may be offered for sale by the Board of Management in a manner complying with this Charter, the Law on Securities and relevant guidelines.



7. The Company may issue other classes of securities after the General Meeting of Shareholders provides unanimous approval in writing in accordance with the law on securities and securities market.

#### **Article 6 Share certificates:**

1. Shareholders of the Company shall be granted share certificates corresponding to the number of shares and the class of owned shares, except where stipulated in clause 7 of this article.
2. Share certificates must bear the seal of the Company and signature of the legal representative of the Company in accordance with the *Law on Enterprises*. A share certificate must specify the number and class of shares held by the shareholder, the full name of the shareholder (in the case of a named share certificate) and other information in accordance with the *Law on Enterprises*. Each named share certificate shall represent only one class of shares.
3. A shareholder shall be granted a share certificate within a period of **02 months** from the date of lodging a complete application for transfer of ownership of shares in accordance with the rules of the Company or within a period of two months (or a longer period in accordance with the terms of the issue) from the date of full payment of the purchase price of shares as stipulated in the plan for issue of shares of the Company. A shareholder shall not be obliged to pay the cost of printing the share certificate or any other costs to the Company.
4. Where only a number of named shares in a named share certificate are transferred, the old share certificate shall be rescinded and a new share certificate recording the remaining shares shall be granted free-of-charge.
5. Where a named share certificate is damaged, erased, lost, stolen or destroyed, the shareholder may be granted a new share certificate provided that he/she presents proof of his/her ownership of shares and has paid all relevant costs to the Company.
6. Holders of bearer share certificates shall be responsible to manage their share certificates and the Company shall not be liable where such share certificates are stolen or used for fraudulent purposes.
7. The Company shall be permitted to issue named shares which do not take the form of certificates. The Board of Management may issue documents allowing named shares (whether or not such shares take the form of certificates) to be assigned and a document on the assignment of such shares shall not necessarily be required.

#### **Article 7 Other securities certificates:**

Bond certificates or other securities certificates of the Company (excluding offer letters, temporary certificates and similar documents) shall be issued with the seal and sample signature of the legal representative of the Company, except where otherwise stipulated by the terms and conditions of the issue.

## **Article 8 Assignment of shares:**

1. All shares may be assigned freely except where this Charter and the law stipulate otherwise. Shares listed on the Stock Exchange/Securities Trading Centre shall be assigned in accordance with the law on securities and securities market of the Stock Exchange/Securities Trading Centre.
2. Shares which have not yet been fully paid for shall not be assignable nor entitled to dividends.

## **Article 9 Withdrawal of shares:**

1. Where a shareholder fails to pay in full and on time the amount payable to purchase shares, the Board of Management shall notify and have the right to request such shareholder to pay the unpaid amount together with interest on such sum, plus costs arising from failure to pay in full to the Company in accordance with regulations.
2. An announcement requiring the above-mentioned payment must specify the new time-limit for payment (at least seven days from the date on which the announcement is sent) and place for payment, and state that on failure to make payment as required then the number of shares which have not yet been fully paid for shall be withdrawn.
3. If the requirements of the above-mentioned announcement are not satisfied, the Board of Management shall have the right to withdraw the relevant number of shares before all amounts payable including interest and relevant costs are paid for in full.
4. Any withdrawn shares shall be the assets of the Company. The Board of Management may directly sell or authorize to sell or re-distribute such shares to, or resolve them in favour of, the individuals who owned such withdrawn shares or to other entities, on conditions and in the manner the Board of Management considers appropriate.
5. Shareholders holding withdrawn shares shall be required to waive their shareholdership status with respect to such shares, but shall still be required to pay all relevant amounts plus proportional interest at the rate as at the time of withdrawal **(not exceeding prevailing bank loan rate)**, from the date of withdrawal up to the date of payment, in accordance with a decision of the Board of Management. The Board of Management shall have full power to make a decision on enforcement of payment of amounts payable as at the time of withdrawal, or may make a decision on remission of part or all of such amounts.
6. An announcement on withdrawal shall be sent to the holders of the shares which are to be withdrawn prior to the time of withdrawal. The withdrawal shall remain valid even if there is a mistake or carelessness during the course of sending the announcement.

## **V. STRUCTURE OF ORGANIZATION, MANAGEMENT AND CONTROL**

### **Article 10 Structure of organization and management:**

The structure of organization and management of the Company shall comprise:

- a. General Meeting of Shareholders;
- b. Board of Management;
- c. Managing director or chief executive officer;
- d. Inspection Committee.

## **VI. SHAREHOLDERS AND GENERAL MEETING OF SHAREHOLDERS.**

### **Article 11 Rights of shareholders:**

1. Shareholders are the owners of the Company and shall have the rights and obligations corresponding to the number and classes of shares owned by them. Shareholders shall only be liable for debts and other property obligations of the Company within their capital contribution to the Company.
2. Ordinary shareholders shall have the following rights:
  - a. To attend the General Meeting of Shareholders and to exercise the right to vote directly or via an authorized representative;
  - b. To receive dividends;
  - c. To freely assign, in accordance with this Charter and current law, shares which have been fully paid for;
  - d. To be given priority in subscribing for new shares offered for sale in proportion to the number of ordinary shares each shareholder holds in the Company;
  - e. To inspect information relating to the shareholders included in the list of shareholders who are qualified to attend the General Meeting of Shareholders, and to request amendment of incorrect information;
  - f. To sight, look up and make an extract or copy of this Charter, the book of minutes of meetings of the General Meeting of Shareholders and resolutions of the General Meeting of Shareholders;
  - g. If the company is dissolved, to receive a part of the remaining assets in proportion to the number of shares contributed as capital to the Company after the Company has paid out its creditors and shareholders of other classes in accordance with law;
  - h. To request the Company to redeem shares as stipulated in article 90.1 of the Law on Enterprises;
  - i. Other rights stipulated in this Charter and by law. (Rights to other classes of shares).
3. A shareholder or a group of shareholders holding more than five (5) per cent of the total ordinary shares for a consecutive period of six months or more shall have the following rights:
  - a. To nominate candidates to the Board of Management and the Inspection Committee in accordance with articles 24.3 and 36.2 respectively;

- b. To request the convening of a General Meeting of Shareholders;
- c. To inspect and receive a copy or an extract of the list of shareholders who have the right to attend and vote at the General Meeting of Shareholders;
- d. To request the Inspection Committee to inspect each particular issue relating to the management and administration of the operation of the Company when considered necessary.

This request must be in writing, must contain the full name, permanent address, nationality, number of people's identity card, passport or other lawful personal identification of a shareholder being an individual; or the name, permanent address, nationality, number of the decision on establishment or number of business registration of a shareholder being an organization; the number of shares and time of registration of shares of each shareholder, total number of shares of the group of shareholders and the percentage of ownership of the total number of shares of the Company; and issues to be inspected and purpose of the inspection;

- e. Other rights stipulated in this Charter.

## **Article 12 Obligations of shareholders:**

Shareholders shall have the following obligations:

- 1. To comply with this Charter and the rules of the Company; to observe resolutions of the General Meeting of Shareholders and the Board of Management;
- 2. To pay in full, in accordance with regulations, for shares for which the shareholder has registered to subscribe;
- 3. To provide the correct address when he or she registers subscription for shares;
- 4. To perform other obligations in accordance with current law;
- 5. To be personally liable when he or she performs one of the following acts in any form in the name of the Company:
  - a. Breaches the law;
  - b. Conducts business and other transactions for the personal benefit of him/herself or of other organizations or individuals;
  - c. Pays undue debts prior to a time when the Company could face financial danger.

## **Article 13 General Meeting of Shareholders:**

- 1. The General Meeting of Shareholders is the highest competent authority of the Company. The annual General Meeting of Shareholders shall be organized once per year. The General Meeting of Shareholders must **be held annually** within a time-limit of four months from the end of a financial year, **the time to hold The General Meeting of Shareholders can be extended but not more than 6 months from the end of a financial year as per The Law on Enterprises.**

2. The Board of Management shall convene the annual General Meeting of Shareholders and shall choose an appropriate place. The annual General Meeting of Shareholders shall make decisions on issues in accordance with law and this Charter, and in particular shall approve the annual financial statements and the financial budget for the next financial year.
3. The Board of Management shall convene an ad-hoc meeting of the General Meeting of Shareholders in the following cases:
  - a. The Board of Management considers it necessary to do so in the interests of the Company;
  - b. The annual balance sheet, six-monthly or quarterly statements or audited reports of a financial year reflect that half of the Charter capital has been lost;
  - c. Where the number of members of the Board of Management is less than the number of members required by law or less than half of the number of members required by this Charter;
  - d. A shareholder or a group of shareholders as stipulated in article 11.3 of this Charter may request to convene a General Meeting of Shareholders by a written recommendation. The written recommendation must clearly state the reason and purpose of the meeting, and must be signed by the relevant shareholders (the written recommendation may be made in multiple copies in order to facilitate the signatures of all relevant shareholders);
  - e. The Inspection Committee may request to convene a meeting if the Inspection Committee has reason to believe that the members of the Board of Management or senior managers have seriously breached their obligations as stipulated in article 119 of the *Law on Enterprises* or that the Board of Management acts or intends to act beyond its powers;
  - f. Other cases as stipulated by law and this Charter.
4. Convening an ad hoc General Meeting of Shareholders:
  - a. The Board of Management must convene a meeting of the General Meeting of Shareholders within a time-limit of thirty days from the date there are only the remaining members of the Board of Management as stipulated in clause 3(c) of article 13 or from the date of receipt of the request stated in clauses 3(d) and 3(e) of article 13;
  - b. Where the Board of Management fails to convene a meeting of the General Meeting of Shareholders in accordance with clause 4(a) of article 13, then within the following thirty (30) days the Inspection Committee shall replace the Board of Management in convening the General Meeting of Shareholders in accordance with clause 5 of article 97 of the *Law on Enterprises*;
  - c. Where the Inspection Committee fails to convene a meeting of the General Meeting of Shareholders in accordance with clause 4(b) of article 13, then within the following thirty (30) days the requesting shareholder or group of shareholders

stipulated in clause 3(d) of article 13 shall have the right to replace the Board of Management and the Inspection Committee in convening the General Meeting of Shareholders in accordance with clause 6 of article 97 of the *Law on Enterprises*.

In this case, the shareholder or group of shareholders convening the General Meeting of Shareholders may request the business registration office to supervise the convening and conduct of the meeting if they consider it necessary;

- d. All expenses for convening and conducting a meeting of the General Meeting of Shareholders shall be reimbursed by the Company. Such expenses shall not include costs, including travel and accommodation costs, incurred by the shareholders when they attend the General Meeting of Shareholders.

#### **Article 14 Rights and duties of the General Meeting of Shareholders:**

1. The annual General Meeting of Shareholders shall have the right to discuss and approve the following documents:
  - a. Annual audited financial statements;
  - b. Reports of the Inspection Committee;
  - c. Reports of the Board of Management;
  - d. Short-term and long-term developmental plans of the Company.
2. The annual General Meeting of Shareholders and an ad hoc General Meeting of Shareholders shall approve in writing the following issues:
  - a. Annual financial statements;
  - b. Rate of dividends paid annually for each class of shares in compliance with the *Law on Enterprises* and the rights attached to each such class of shares. The rate of dividends shall not be higher than the rate proposed by the Board of Management after the Board of Management has consulted the shareholders at the General Meeting of Shareholders;
  - c. Number of members of the Board of Management;
  - d. Selection of an auditing company;
  - e. Appointment, dismissal and replacement of members of the Board of Management and of the Inspection Committee and approval of the appointment of the managing director or chief executive officer by the Board of Management;
  - f. Total remuneration of the members of the Board of Management and reports on remuneration of the Board of Management;
  - g. Amendment of and addition to this Charter;
  - h. Classes of shares and number of new shares to be issued for each class of shares and the assignment of shares by founding members within the first three years of the date of establishment;
  - i. Division, separation, merger, consolidation or conversion of the Company;
  - j. Re-organization and dissolution (liquidation) of the Company and appointment of a liquidator;

- k. Inspection of and dealing with breaches by the Board of Management or the Inspection Committee which cause loss to the Company and shareholders;
  - l. Decisions relating to the sale of assets of the Company or its branches or the purchase of assets valued at fifty (50) per cent or more of the total value of assets of the Company and its branches recorded in the most recent financial statements;
  - m. Redemption by the Company of ten (10) per cent or more of any one class of issued shares;
  - n. The managing director or chief executive officer concurrently holding the post of chairman of the Board of Management;
  - o. The company or its branches entering into contracts with parties stipulated in article 120.1 of the Law on Enterprises valued at twenty (20) per cent or more of the total value of assets of the Company and its branches recorded in the most recent financial statements;
  - p. Other issues as stipulated in article 14.2 of this Charter and other rules of the Company.
3. A shareholder shall not be permitted to vote in the following cases:
- a. Contracts stipulated in article 14.2 of this Charter to which such shareholder or a related person of such shareholder is a party;
  - b. Purchase of shares by the shareholder or a related person of such shareholder.
4. All resolutions and issues included in the agenda must be discussed and voted on at the General Meeting of Shareholders.

#### **Article 15 Authorized representatives:**

- 1. Shareholders entitled to attend the General Meeting of Shareholders in accordance with law shall directly attend or authorize their representatives to attend. In a case where more than one authorized representative is appointed, then the specific number of shares and the specific number of votes of each representative must be specified.
- 2. The authorization for a representative to attend the General Meeting of Shareholders must be made in writing on the form stipulated by the Company and must bear signatures in accordance with the following provision:
  - a. Authorization to represent a shareholder being an individual must bear the signatures of both that shareholder and the person authorized to attend the meeting;
  - b. Authorization on behalf of a shareholder being an organization which is the principal of the power of attorney must bear the signatures of the authorized representative, of the legal representative of the shareholder and of the person authorized to attend the meeting;
  - c. In other cases the authorization must bear the signatures of the legal representative of the shareholder and of the person authorized to attend the meeting.

Any person authorized to attend a General Meeting of Shareholders must submit

his or her written authorization prior to entering the meeting room.

3. Where a lawyer on behalf of a principal signs a written appointment of a representative, the designation of such representative shall be deemed to be effective only if the written appointment is presented with a letter of authorization to the lawyer or a copy of such letter (in a case where such lawyer has not been registered with the Company).
4. Except for the case stipulated in clause 3 of this article, the voting slip of the person authorized to attend a meeting within the scope of his/her authorization shall remain effective in any one of the following cases:
  - a. The principal dies, or his capacity for civil acts is lost or is restricted;
  - b. The principal has rescinded the appointment of any authorized representative;
  - c. The principal has rescinded the authority of the particular person carrying out the authorization.

This clause shall not apply in a case where the Company receives a notice of one of the above cases within forty eight (48) hours prior to the time of opening of the General Meeting of Shareholders or prior to the time the meeting is reconvened.

#### **Article 16 Change of rights:**

1. A resolution of the General Meeting of Shareholders (in the cases stipulated in article 14.2 relating to the shareholding capital of the Company being divided into different classes of shares) on change or waiver of special rights attached to a class of shares shall be passed only when the written consent of the holders of at least seventy five (75) per cent of the voting rights of the issued shares of such class is obtained.
2. The organization of such a meeting shall be valid if at least two (2) shareholders (or their authorized representatives) are present and each of them holds at least one-third of the par value of the issued shares of such class. Where the number of attendees as required above is insufficient, the meeting shall be reconvened within a period of thirty (30) days and the holders of shares of such class (not depending on the number of holders and the number of shares) who are present directly or via an authorized representative shall be considered to be a sufficient number of attendees. At each separate meeting mentioned above, the holders of the shares of such class who are present directly or via an authorized representative may request a secret ballot and each holder or representative attending the secret ballot shall have one vote corresponding to each owned share of such class.
3. The procedures for conducting such separate meetings shall be implemented in accordance with articles 18 and 20.
4. Except where otherwise stipulated by the terms of an issue of shares, special rights attached to various classes of shares with preference rights regarding some or all issues on distribution of profits or assets of the Company shall not be changed when the Company issues additional shares of the same class.



**Article 17 Convening the General Meeting of Shareholders, agenda and notice of General Meeting of Shareholders:**

1. The Board of Management shall convene the General Meeting of Shareholders, or the General Meeting of Shareholders shall be convened in the cases stipulated in article 13.4(b) or article 13.4(c).
2. The convenor of the General Meeting of Shareholders shall carry out the following duties:
  - a. Prepare a list of shareholders qualified to attend and vote at the General Meeting of Shareholders within thirty (30) days before the date the General Meeting of Shareholders is conducted; and prepare the agenda and documents of the meeting in compliance with law and the rules of the Company;
  - b. Determine the time and venue for holding the General Meeting of Shareholders;
  - c. Inform and send a notice of the meeting of the General Meeting of Shareholders to all shareholders entitled to attend the meeting.
3. The notice of the meeting of the General Meeting of Shareholders must comprise the agenda of the meeting and information relating to the issues to be discussed and voted on at the General Meeting of Shareholders. With respect to shareholders who have implemented depository of shares, the notice of the meeting of the General Meeting of Shareholders may be sent to the depository organization and at the same time shall be announced on the information network of the Stock Exchange/Securities Trading Centre, on the website of the Company, [and] in a central newspaper or in a local newspaper where the Company's office is based. With respect to shareholders who have not implemented depository of shares, the notice of the meeting of the General Meeting of Shareholders may be sent to such shareholders by direct delivery or by registered courier to the registered address of the shareholders or to the address provided by such shareholders in order to receive information. Where the shareholders have notified the Company in writing of their fax number or e-mail address, the notice of the meeting may be sent to such fax number or e-mail address. Where the shareholders are employees of the Company, the notice of the meeting may be placed in a sealed envelope and sent directly to them at their work place. The notice of the General Meeting of Shareholders must be sent at least fifteen (15) days before the date of the meeting (such period to be calculated from the date the notice is validly sent or delivered, the date the fees for delivery of the notice are paid, or the date the notice is put in a post-box). Where the Company has a website, the notice of the meeting of the General Meeting of Shareholders must be posted on the website as well as being sent to the shareholders.
4. A shareholder or group of shareholders referred to in article 11.3 of this Charter shall have the right to propose issues to be included in the agenda of a meeting of the General Meeting of Shareholders. The proposal must be made in writing and must be sent to the Company at least three (3) business days before the time of opening of the General Meeting of Shareholders. The proposal must contain the full names of the shareholders, the number and class of shares held by them, and the items proposed to be included on the agenda.

5. The convenor of the General Meeting of Shareholders shall have the right to reject a proposal mentioned in clause 4 of this article in the following cases:
  - a. The proposal was not sent on time, is insufficient, or is in relation to an irrelevant matter;
  - b. At the time of the proposal, the shareholder or group of shareholders had not owned at least five (5) per cent of the ordinary shares for a consecutive period of six months (or another smaller percentage in accordance with this Charter);
  - c. The items proposed do not fall within the authority of the General Meeting of Shareholders for discussion and approval;
  - d. Other cases in compliance with law and company's charter.
6. The Board of Management must prepare draft resolutions on each of the items on the agenda.
7. In a case where all shareholders representing one hundred (100) per cent of the voting shares attend the General Meeting of Shareholders directly or via an authorized representative, the resolutions which are unanimously approved by the General Meeting of Shareholders shall be deemed to be effective even if the General Meeting of Shareholders is not conducted in accordance with the procedures, or the items voted on were not included on the agenda.

#### **Article 18 Conditions for conducting the General Meeting of Shareholders:**

1. The General Meeting of Shareholders shall be conducted when the number of attending shareholders represents at least sixty five (65) per cent of the voting shares.
2. When the number of attendees required is insufficient within thirty (30) minutes from the time set to open the meeting, the meeting shall be reconvened within a period of thirty (30) days from the scheduled date for holding the first General Meeting of Shareholders. The General Meeting of Shareholders which is convened for a second time shall be conducted when the number of attending shareholders and authorized representatives represent at least fifty one (51) per cent of the voting shares.
3. When the second General Meeting of Shareholders cannot take place because the number of attendees required is not present within thirty (30) minutes from the time set to open the meeting, the General Meeting of Shareholders may be convened for a third time within twenty (20) days from the scheduled date for holding the second General Meeting of Shareholders. In such a case, the General Meeting of Shareholders shall be conducted irrespective of the number of attending shareholders or authorized representatives, and shall be deemed valid and shall have the right to make decisions on issues which may have been approved at the first General Meeting of Shareholders.
4. Based on requests of the chairman, the General Meeting of Shareholders may make changes to the agenda accompanying the invitation to the meeting in accordance with article 17.3 of this Charter.

## **Article 19 Procedures for conducting and voting at the General Meeting of Shareholders:**

1. On the date of holding the General Meeting of Shareholders, the Company must carry out procedures to register its shareholders and such registration shall continue until all shareholders entitled to attend the meeting and who are present have been registered.
2. Where a shareholder is registered, the Company shall grant such shareholder with voting rights or his/her authorized representative a voting card which states the number of registration, full name of the shareholder, full name of the authorized representative and the number of votes of such shareholder. When voting is conducted at the General Meeting of Shareholders, the votes which agree with the resolution shall be collected first, thereafter the votes which do not agree with the resolution shall be collected, and finally the overall number of votes which agree and do not agree with the resolution shall be counted for a final decision. The overall number of votes which agree, which do not agree, and abstentions shall be announced immediately after an issue is voted on. The General Meeting shall elect people from the attendees to be responsible to count the votes or to supervise the counting of votes, and if the General Meeting of Shareholders does not elect such people then the chairman shall elect them. The number of members of a vote counting committee shall not exceed three people.
3. Any shareholder who comes to the General Meeting of Shareholders late shall be registered and shall have the right to immediately participate in voting at the General Meeting of Shareholders. The chairman shall not delay the General Meeting of Shareholders so that late shareholders may register, and the effectiveness of any voting which has already been conducted before the late shareholders attended shall not be affected.
4. The chairman of the Board of Management shall preside over the General Meeting of Shareholders. In a case where the chairman of the Board of Management is absent, the deputy chairman of the Board of Management or the person elected by the General Meeting of Shareholders shall preside over the General Meeting of Shareholders. Where none of such persons is able to preside over the General Meeting of Shareholders, the member of the Board of Management holding the highest position and who is present at the General Meeting of Shareholders shall organize a meeting to elect the chairman of the General Meeting of Shareholders who need not necessarily be a member of the Board of Management. The chairman, deputy chairman of the Board of Management or the chairman of the General Meeting of Shareholders shall elect or nominate someone to act as secretary to prepare minutes of the General Meeting of Shareholders. In the case of election of a chairman, the names of the nominees and the number of votes for each nominee shall be announced.
5. Any decisions of the chairman on the order and procedures or on events arising outside the agenda of the General Meeting of Shareholders shall be final.
6. Even if sufficient attendees as required are present, the chairman of the General Meeting of Shareholders shall adjourn the General Meeting of Shareholders to another time or change the location of the meeting decided by the chairman without obtaining opinions of the General Meeting of Shareholders if the chairman considers that:

- (a) The location of the General Meeting of Shareholders fails to provide suitable seating for all attendees,
- (b) There is an attendee who disrupts or is likely to disrupt order at the meeting, or
- (c) An adjournment is necessary so that the work of the General Meeting of Shareholders will be carried out validly.

In addition, the chairman of the General Meeting of Shareholders may adjourn a meeting upon agreement or request of the General Meeting of Shareholders even if sufficient attendees as required for such meeting are present. The maximum time for any adjournment of a meeting shall be three days as from the date of the proposed opening of the meeting. The General Meeting of Shareholders which is reconvened shall review the work which should have been legally carried out at the previous adjourned meeting.

- 7. Where the chairman adjourns or postpones a General Meeting of Shareholders contrary to the provisions in clause 6 of this article, the General Meeting of Shareholders shall elect another person from the attendees to replace the chairman in conducting the meeting until its completion, and the effectiveness of voting conducted at such meeting shall not be affected.
- 8. The chairman or secretary of the General Meeting of Shareholders may conduct activities which he/she finds necessary in order to direct the General Meeting of Shareholders in a valid and orderly manner and so that it reflects the wishes of the majority of attendees.
- 9. The Board of Management may require shareholders or authorized representatives entitled to attend the General Meeting of Shareholders to be checked or subject to other security measures which the Board of Management considers appropriate. Where a shareholder or an authorized representative does not comply with the rule on checking or the security measures mentioned above, the Board of Management, after careful consideration, may reject or expel such shareholder or authorized representative from the General Meeting of Shareholders.
- 10. The Board of Management, after careful consideration, may take the measures which it finds appropriate in order to:
  - a. Adjust the number of people who are present at the official location of the General Meeting of Shareholders;
  - b. Ensure safety for the attendees who are present;
  - c. Create favourable conditions for shareholders to attend (or continue to attend) the General Meeting of Shareholders.

The Board of Management shall have full power to change the above measures and take all of such measures when it considers it necessary. The measures taken may include the issue of entry permits or the use of other forms of selection.

- 11. In a case where the Board of Management takes the above measures, the Board of Management may, when it makes a determination on the location of the meeting:

- a. Announce that the General Meeting of Shareholders shall be conducted at the location as stated in the notice of the meeting where the chairman of the meeting shall be present (“The official Location of the Meeting”);
- b. Make arrangements so that shareholders or authorized representatives who fail to attend the meeting in accordance with this article or people who wish to attend the meeting but at a location different from the Official Location of the Meeting may still attend the General Meeting of Shareholders.

A notice on holding the General Meeting of Shareholders shall not be required to state the detailed measures taken in accordance with this article.

12. In this Charter (unless the context requires otherwise), each shareholder shall be deemed to have attended the meeting at the Official Location of the Meeting.

The Company must hold a General Meeting of Shareholders at least once per year. The annual General Meeting of Shareholders shall not be held by way of collection of written opinions.

## **Article 20    Passing of resolutions of the General Meeting of Shareholders:**

1. Except for the case stipulated in clause 2 of this article, resolutions of the General Meeting of Shareholders on the following items shall be passed when there are votes obtained from sixty five (65) per cent or more of the total votes of all shareholders with voting rights who are present directly or via their authorized representatives at the General Meeting of Shareholders:
  - a. Approval of annual financial statements;
  - b. Short-term and long-term developmental plans of the Company;
  - c. Appointment, dismissal and replacement of members of the Board of Management and the Inspection Committee and approval of the appointment of the managing director or chief executive officer by the Board of Management.
2. Resolutions of the General Meeting of Shareholders relating to the amendment of and addition to the Charter, classes of shares and number of shares offered for sale, merger, re-organization and dissolution of the Company, sale of assets of the Company or its branches or purchase [of assets] by the Company or its branches valued at fifty (50) per cent or more of the total value of assets of the Company and its branches determined on the basis of the most recent audited accounting books shall be approved when there are votes obtained from seventy five (75) per cent or more of the total votes of all shareholders with voting rights who are present directly or via their authorized representatives at the General Meeting of Shareholders.

## **Article 21    Authority and procedures for collecting written opinions in order to pass resolutions of the General Meeting of Shareholders:**

The authority and procedures for collecting written opinions in order to pass a resolution of the General Meeting of Shareholders shall be implemented in accordance with the following provisions:

1. The Board of Management shall have the right to collect written opinions in order to pass a resolution of the General Meeting of Shareholders at any time, if considered necessary in the interests of the Company.
2. The Board of Management must prepare written opinion forms, a draft of the resolution of the General Meeting of Shareholders and other documents explaining the draft resolution. The written opinion form together with the draft resolution and documents explaining it must be sent by a means which is guaranteed to reach the permanent address of each shareholder;
3. The written opinion form must contain the following basic particulars:
  - a. Name, head office address, number and date of issuance of the business registration certificate, and place of business registration of the Company;
  - b. Purpose of collecting written opinions;
  - c. Full name, permanent address, nationality, and the number of the people's identity card or passport or other lawful personal identification in respect of a shareholder being an individual; name, permanent address, nationality, number of establishment decision or number of business registration of a shareholder or authorized representative in respect of a shareholder being an organization; number of shares of each class and number of votes of the shareholder;
  - d. Issue on which it is necessary to obtain opinions in order to pass a resolution;
  - e. Voting options comprising agreement, non agreement, or no opinion [abstention];
  - f. Time-limit within which the completed written opinion form must be returned to the Company;
  - g. Full name and signature of the chairman of the Board of Management and of the legal representative of the Company.
4. Any completed written opinion form must bear the signature of a shareholder being an individual, and of the authorized representative or of the legal representative of a shareholder being an organization.

Written opinion forms which are returned to the Company must be placed in a sealed envelope and no one shall be permitted to open the envelope prior to counting of the votes. Any completed written form which is returned to the Company after the expiry of the time-limit stipulated in the written opinion form, or any form which has been opened, shall be invalid.

5. The Board of Management shall conduct counting of the votes and shall prepare minutes of the counting of the votes in the presence of the Inspection Committee or of a shareholder who does not hold a managerial position in the Company. The minutes of counting of votes shall contain the following basic particulars:
  - a. Name, head office address, number and date of issuance of the business registration certificate; and place of business registration of the Company;
  - b. Purpose of collection of written opinions and issues on which it is necessary to obtain written opinions in order to pass a resolution;

- c. Number of shareholders with total numbers of votes who have participated in the voting, classifying the votes into valid and invalid, and including an appendix being a list of the shareholders who participated in the voting;
- d. Total number of votes for, against and abstentions on each matter voted upon;
- e. Resolutions which have been passed;
- f. Full name and signature of the chairman of the Board of Management, of the legal representative of the Company and of the person who supervised the counting of votes.

The members of the Board of Management and the person who supervised the counting of votes shall be jointly liable for the truthfulness and accuracy of the minutes of counting of votes, and shall be jointly liable for any loss arising from a resolution which is passed due to an untruthful or inaccurate counting of votes.

- 6. The minutes of results of counting of votes must be sent to the shareholders within a time-limit of fifteen (15) days as from the date the counting of votes ended.
- 7. Written opinion forms which were returned, the minutes of counting of votes, the full text of the resolution which was passed and related documents sent with all of the written opinion forms must be archived at the head office of the Company.
- 8. A resolution which is passed by the form of collecting written opinions of shareholders shall have the same validity as a resolution passed by the General Meeting of Shareholders.

## **Article 22 Minutes of General Meeting of Shareholders:**

The chairman of the General Meeting of Shareholders shall be responsible to archive minutes of the General Meeting of Shareholders and send them to all shareholders within a period of fifteen (15) days from the date the General Meeting of Shareholders ended. The minutes of the General Meeting of Shareholders shall be considered proof that work [mentioned in the minutes] was actually carried out at the General Meeting of Shareholders unless an opinion against the contents of the minutes is made in accordance with the stipulated procedures within a time-limit of ten (10) days from the date the minutes were sent. The minutes must be prepared in Vietnamese and must bear the signatures of the chairman of the General Meeting of Shareholders and the secretary in accordance with the *Law on Enterprises* and this Charter. All records, minutes, books of signatures of attending shareholders and written authorizations to attend the General Meeting of Shareholders must be archived at the head office of the Company.

## **Article 23 Demand for cancellation of resolutions of the General Meeting of Shareholders:**

Shareholders, members of the Board of Management, the director or general director or the Inspection Committee shall have the right to require a court or an arbitrator to consider and cancel a resolution of the General Meeting of Shareholders within ninety (90) days from the date of receipt of minutes of the General Meeting of Shareholders or

minutes of the results of counting of votes being written opinions from the General Meeting of Shareholders, in the following cases:

1. The order and procedures for convening the General Meeting of Shareholders did not comply with the law and this Charter;
2. The order and procedures for issuing a resolution and the content of the resolution breach the law or this Charter.

## **VII. BOARD OF MANAGEMENT**

### **Article 24 Composition and term of office of members of the Board of Management:**

1. The Board of Management shall have at least five (5) members and not more than eleven (11) members. The term of office of the Board of Management shall be five (5) years. The term of office of a member of the Board of Management shall not exceed five (5) years; members of the Board of Management may be re-elected for an unlimited number of terms. The total number of members of the Board of Management who are independent and non-operational must be at least one-third of the total number of the members of the Board of Management.
2. Shareholders who hold at least five (5) per cent of shares with voting rights for a consecutive period of at least six (6) months shall have the right to aggregate the number of voting rights of each such shareholder to nominate candidates to the Board of Management. A shareholder or a group of shareholders which holds **from five (5)** percent to ten (10) per cent or less of shares with voting rights for a consecutive period of at least six (6) months shall be entitled to nominate one candidate; which holds from ten (10) per cent to less than thirty (30) per cent shall be entitled to nominate two candidates; which holds from thirty (30) per cent to less than fifty (50) per cent shall be entitled to nominate three candidates; which holds from fifty (50) per cent to less than sixty five (65) per cent shall be entitled to nominate four candidates, and which holds sixty five (65) per cent or more shall be entitled to nominate the full number of candidates.
3. Where the number of candidates is still insufficient after candidates have been nominated by the Board of Management, the incumbent Board of Management may nominate additional candidates or hold a nomination in accordance with rules stipulated by the Company. The rules for nomination or the manner used by the incumbent Board of Management to nominate candidates to the Board of Management must be clearly announced and must receive approval from the General Meeting of Shareholders before the nomination is held.
4. The membership of a member of the Board of Management shall be terminated in the following cases:
  - a. Such member is ineligible to be a member of the Board of Management in accordance with the *Law on Enterprises* or is prohibited from being a member of a Board of Management by law;
  - b. Such member sends a written application for resignation to the head office of the Company;
  - c. Such member suffers a mental disorder and the other members of the Board of



Management have expert proof of such loss of capacity for civil acts;

- d. Such member is absent from meetings of the Board of Management for a consecutive period of six (6) months, and the Board did not permit the member to be absent within such period and makes a decision that the position of such member is vacated;
  - e. Such member is dismissed from the Board of Management by a decision of the General Meeting of Shareholders.
5. The Board of Management may appoint a new member to the Board in order to fill the vacancy arising, and the new member must obtain approval from the next General Meeting of Shareholders. Upon such approval, the appointment of the new member shall be deemed effective as from the date on which the Board of Management appointed the member.
  6. The appointment of members of the Board of Management must be announced in accordance with the laws on securities and securities market.
  7. Members of the Board of Management need not necessarily be shareholders of the Company.

#### **Article 25 Powers and duties of the Board of Management:**

1. Business activities and work of the Company shall be subject to management or direction for implementation by the Board of Management. The Board of Management is the body with full power to exercise all rights on behalf of the Company, excluding authority which belongs to the General Meeting of Shareholders.
2. The Board of Management shall be responsible to supervise the managing director or chief executive officer and other managers.
3. The rights and obligations of the Board of Management shall be as stipulated by law, this Charter, the internal rules of the Company, and resolutions of the General Meeting of Shareholders. Specifically, the Board of Management shall have the following powers and duties:
  - a. To make decisions on plans for development of annual business and production, and the annual budget;
  - b. To determine the operational objectives on the basis of the strategic objectives approved by the General Meeting of Shareholders;
  - c. To appoint and discharge managers of the Company upon the request of the managing director or chief executive officer; and to make decisions on their salary;
  - d. To make decisions on the organizational structure of the Company;
  - e. To deal with complaints made by the Company about a manager and to make a decision selecting a representative of the Company to deal with legal procedural issues against such manager;
  - f. To propose the classes of shares which may be issued and the total number of

shares of each class to be issued;

- g. To propose the issuance of bonds, bonds convertible into shares and securities rights which entitle the owner to purchase shares at a pre-determined price;
  - h. To determine the prices at which bonds, shares and convertible securities will be offered for sale;
  - i. To appoint, dismiss or remove the managing director, chief executive officer, a manager or the representative of the Company where the Board of Management believes that such action is taken in the best interests of the Company. Such removal shall not be contrary to the contractual rights (if any) of the person involved;
  - j. To propose annual dividend rates and to fix temporary dividend rates; to organize payment of dividends;
  - k. To propose the restructuring or dissolution of the Company.
  - l. To decide the change or supplement of company business activities in accordance with the need of development or expansion of the company business.**
4. The following issues must be approved by the Board of Management:
- a. Establishment of a branch or representative office of the Company;
  - b. Establishment of subsidiaries of the Company;
  - c. The Board of Management may from time to time make decisions on the performance, amendment or rescission of large contracts of the Company (including contracts for purchase, sale, merger and takeover of companies and joint venture contracts) within the scope of article 108.2 of the *Law on Enterprises*, except for the case stipulated in article 120.3 of the *Law on Enterprises* which must be approved by the General Meeting of Shareholders;
  - d. Appointment and removal of any person authorized by the Company to act as a commercial representative or lawyer of the Company;
  - e. Borrowing, and implementation of mortgages, warranties, guarantees and payment of compensation by the Company;
  - f. Investments which are not included in the business plan and budget which exceed **5% of charter capital** or investments exceeding ten (10) per cent of the value in the plan and in annual business budget;
  - g. Purchase or sale of shares of other companies established in Vietnam or overseas;
  - h. Valuation of assets contributed to the Company which are not in cash relating to the issuance of shares or bonds by the Company, including gold, land use rights, intellectual property rights, technology and technological know-how;
  - i. Purchase or recovery by the Company of no more than ten (10) per cent of shares of each class;
  - j. Business issues or transactions which the Board of Management decides are required to have its approval [and which are] within the scope of its powers and responsibilities;

- k. Decision on the buying or recovery price of shares of the Company.
- 5. The Board of Management must report to the General Meeting of Shareholders its activity being supervision of the managing director or chief executive officer and other managers within a financial year. If the Board of Management fails to submit such report to the General Meeting of Shareholders, the annual financial statements of the Company shall be deemed invalid and not to have been approved by the Board of Management.
- 6. Except where the law and this Charter stipulate otherwise, the Board of Management may authorize lower level staff or a manager to deal with work on behalf of the Company.
- 7. Members of the Board of Management (excluding authorized alternate representatives) shall be entitled to remuneration for their work in their capacity as members of the Board. The total remuneration for the Board shall be determined by the General Meeting of Shareholders and shall be distributed to members of the Board as agreed by the Board or shall be distributed [amongst all members] equally if the Board fails to reach an agreement.
- 8. **The total remuneration paid to members of the Board of Management must be recorded in detail in the annual report of the Company.**
- 9. Any member of the Board of Management who holds an executive position (also including chairman or deputy chairman) or who works on a sub-committee of the Board of Management or who performs other work which is, in the opinion of the Board, beyond the scope of the normal duties of a member of a Board of Management may be paid extra remuneration in the form of a lump sum payment each time, or salary, commission, profit percentage or other form as decided by the Board of Management.
- 10. Members of the Board of Management shall be entitled to reimbursement for the cost of meals, accommodation, travel and other reasonable expenses disbursed in order to fulfil his/her responsibilities as a member of the Board, including expenses arising out of attendance at meetings of the Board or of sub-committees of the Board, or at meetings of the General Meeting of Shareholders.

#### **Article 26 Chairman and deputy chairman of the Board of Management:**

- 1. The General Meeting of Shareholders or the Board of Management must elect a chairman and deputy chairman from members of the Board. The chairman of the Board of Management shall not act concurrently as the managing director or chief executive officer of the Company, except where otherwise decided by the General Meeting of Shareholders. Approval shall be required at the annual General Meeting of Shareholders for the chairman of the Board of Management to act concurrently as the managing director or chief executive officer.
- 2. The chairman of the Board of Management shall be responsible to convene and to chair the General Meeting of Shareholders and meetings of the Board of Management, and at the same time shall have other rights and responsibilities stipulated in this Charter and in the *Law on Enterprises*. The deputy chairman shall have the same rights and

obligations as the chairman where the deputy chairman is authorized by the chairman, but only where the chairman has notified the Board of Management of his/her absence or of his/her having to be absent due to a reason of force majeure or his/her inability to carry out his/her duties. In such cases [where the chairman is absent as stated above, the chairman shall not appoint the deputy chairman to act, but rather the remaining members of the Board shall appoint the deputy chairman. Where both the chairman and deputy chairman are temporarily unable to perform their duties for any reason, the Board of Management may appoint, on the principle of simple majority, another person from the Board to implement the duties of the chairman.

3. The chairman of the Board of Management must ensure that the Board of Management sends the annual financial statements, the report on the operation of the Company, the audit report and the inspection report of the Board of Management to shareholders at the General Meeting of Shareholders.
4. Where both the chairman and deputy chairman of the Board of Management resign or are removed, the Board of Management must elect persons to replace them within a period of ten (10) days.

#### **Article 27 Alternate members of the Board of Management:**

1. A member of the Board of Management (not being the person authorized to replace such member) may appoint another member of the Board, or a person who is approved by the Board and who is willing to perform such duty, as his/her alternate person, and shall have the right to discharge such person.
2. An alternate member of the Board of Management shall be entitled to receive notices of any meeting of the Board and of any sub-committee of the Board of which his designator is a member; shall be entitled to attend and vote at meetings where the member of the Board being such designator is absent; and shall have authority to perform all functions of the designator as a member of the Board where the designator is absent. Such alternate member shall not be entitled to receive any remuneration for his/her work from the Company in the capacity as an alternate member of the Board of Management. The Company shall not be bound to send notices of the above-mentioned meetings to alternate members of the Board who are not present in Vietnam.
3. An alternate member shall be required to waive his/her membership of the Board of Management where membership of his/her designator is terminated. Where the term of office of a member of the Board of Management expires but such member is re-appointed or deemed to have been re-appointed at the General Meeting of Shareholders where the term of office would otherwise have expired, then any appointment of an alternate member which such member made immediately before such expiry of his/her term of office shall continue to be effective after such member is re-appointed.
4. Any member of the Board of Management who appoints or removes an alternate person must do so in writing, and must prepare and sign a written report on such appointment or removal and send it to the Company or lodge it in some other way as approved by the Board of Management.
5. In addition to the other provisions in this Charter, an alternate member shall be deemed

to be a member of the Board of Management in all respects and shall be personally liable for his/her acts and errors but [in such case] shall not be deemed to be a representative implementing the authorization of the member of the Board of Management who is his/her designator.

## **Article 28 Meetings of the Board of Management:**

1. In a case where the Board of Management is to elect the chairman, then the initial meeting of the term of the Board of Management in order to elect the chairman and to pass other resolutions within its authority must be conducted within a time-limit of seven (7) working days from the date of completion of the election of the Board for that term. This meeting shall be convened by the member who gains the highest number of votes. If more than one member gains the same highest number of votes, such elected members shall elect a person amongst them to convene the meeting by a majority vote.
2. Regular meetings: The chairman of the Board of Management shall convene a regular meeting of the Board of Management, prepare the agenda of the meeting and determine the time and location of the meeting within a period of at least seven (7) days before the proposed date of the meeting. The chairman may convene a regular meeting of the Board of Management at any time where considered necessary, but there must be at least one meeting every quarter.
3. Ad hoc meetings: The chairman must convene a meeting of the Board of Management, which shall not be delayed without a legitimate reason, where any of the following make a written request specifying the objective and issues which need to be discussed:
  - a. The managing director or chief executive officer or at least five managers;
  - b. Two (2) members of the Board of Management;
  - c. The chairman of the Board of Management;
  - d. A majority of members of the Inspection Committee.
4. A meeting of the Board of Management as stipulated in clause 3 of article 28 must be conducted within a time-limit of fifteen (15) days after the request for the meeting is made. If the chairman of the Board does not agree to convene a meeting pursuant to the request, then the chairman shall be liable for loss caused to the Company; any person who makes a request for a meeting as referred to in clause 3 of this article may himself/herself convene a meeting of the Board of Management.
5. Where an independent auditor makes a request, the chairman of the Board of Management must convene a meeting of the Board in order to discuss the audit report and the status of the Company.
6. Location of the meeting: Meetings of the Board of Management shall be conducted at the registered address of the Company or at another address in Vietnam or abroad as decided by the chairman of the Board and agreed by the Board of Management.
7. Notice and agenda of a meeting of the Board of Management: The notice of a meeting of the Board of Management must be sent to members of the Board at least five (5) days prior to the date on which the meeting is to be held; members of the Board may

refuse in writing the notice of invitation and such refusal may take retroactive effect. The notice of the meeting of the Board must be made in writing and in Vietnamese; it must provide sufficient information about the agenda, the time and location of the meeting; and it must be accompanied with necessary documents on the issues to be discussed and voted on at the meeting of the Board and include voting slips for members of the Board who will be unable to attend the meeting.

A notice of invitation may be sent by post, fax, electronic mail or by other means, but must ensure arrival at the address of each member of the Board as registered with the Company.

8. Minimum number of attending members: A meeting of the Board of Management shall be conducted and resolutions shall be passed if at least three-quarters of the members of the Board are present in person or via their alternate representatives.
9. Voting:
  - a. Except for the regulation in clause 9(b) of this article, each member of the Board of Management or his or her authorized person being an individual who is present in person at a meeting of the Board shall have one vote;
  - b. A member of the Board of Management shall not be permitted to vote on a contract, transaction or proposal in which such member or his/her related person has an interest contrary to or possibly contrary to the interests of the Company. A member of the Board shall not be included in the minimum number of attendees required to be present to hold a meeting of the Board regarding resolutions on which such member does not have the right to vote;
  - c. When an issue arises at a meeting of the Board pursuant to clause 9(d) of this article regarding the level of interest of a member of the Board or regarding the voting right of a member which is not resolved by such member voluntarily waiving his/her voting right, such issue shall be submitted to the chairman of the meeting whose decision in relation to other members of the Board shall be final, except where the nature or scope of the interest of the relevant members of the Board of Management has not been properly announced;
  - d. Any member of the Board of Management who benefits from one of the contracts stipulated in articles 34.4(a) and 34.4(b) of this Charter shall be considered to have a significant [material] interest in such contract.
10. Public disclosure of interest: Any member of the Board of Management who directly or indirectly benefits from a contract or transaction which has been signed or is intended to be signed with the Company, and where such member is aware that he/she has an interest, shall be required to disclose the nature and content of such interest at the meeting where the Board of Management considers the signing of such contract or transaction for the first time; or such member may disclose the interest at the first meeting of the Board held after such member becomes aware that he/she has or will have an interest in the relevant contract or transaction.
11. Voting by a majority: The Board of Management shall pass resolutions and make

decisions by complying with the assent of the majority of members of the Board in attendance (more than fifty (50) per cent). Where the number of votes which assent [agree] and the number of votes which do not assent [disagree] are equal, then the vote of the chairman shall be the deciding vote.

12. Meetings by telephone or by other forms: A meeting of the Board of Management may be conducted by way of a conference call between members of the Board where all or a number of members are at different places, provided that each attending member is able to:

- a. Hear other members of the Board expressing their opinions in the meeting;
- b. Express his/her opinions at the same time as other attending members if he/she wishes to do so.

Members may communicate directly via the telephone or by other means of communication (including the use of means arising after this Charter is approved) or by a combination of such means. Members of the Board who attend a meeting in this manner shall be deemed present at such meeting pursuant to this Charter. The location of the meeting to be held in accordance with this provision shall be the location where the largest number of members of the Board gathers, or if there is no such group [of the largest number of members of the Board] then the meeting shall be held at the location where the chairman of the meeting is present.

Resolutions which are passed at a meeting duly held and conducted by telephone shall take effect immediately after the end of the meeting, but must be confirmed by the signatures of all attending members of the Board in minutes of such meeting.

13. Written resolutions: A written resolution must bear the signatures of all the following members of the Board of Management:

- a. The members with the right to vote on such resolution at a meeting of the Board;
- b. The number of members present<sup>3</sup> must not have been less than the minimum number of members stipulated as necessary to conduct a meeting of the Board of Management.

A resolution of this kind shall have the same effect and validity as a resolution passed by members of the Board of Management at a meeting which is convened and held in accordance with the normal procedure. A written resolution may be passed by using a number of copies of the same document so long as each copy bears the signature of at least one member.

14. Minutes of the Board of Management: The chairman of the Board of Management shall be responsible to deliver minutes of a meeting of the Board to members, and such minutes shall be deemed to be proof that the work [mentioned in the minutes] was actually carried out at such meeting unless an opinion against the content of the minutes is provided within a time-limit of ten (10) days from the date of delivery of such minutes. The minutes of the Board of Management must be prepared in Vietnamese and must bear the signatures of all the members of the Board who attended.

15. Sub-committees of the Board of Management: The Board of Management may establish a sub-committee and authorize it to act pursuant to the authority of the Board.

Membership of a sub-committee may consist of one or more members of the Board of Management and one or more non-board members pursuant to a decision of the Board. During the course of performance of authorized powers, the sub-committee must comply with the rules stipulated by the Board. Such rules may regulate or permit the admission of additional persons being non-board members to the sub-committee and may permit such persons to vote in their capacity as members of the sub-committee, but (a) the number of non-board members must be less than half the total number of members of the sub-committee, and (b) resolutions of the sub-committee shall only take effect when the majority of members attending and voting at a meeting of the sub-committee were members of the Board.

16. Legal effect of actions: Actions taken to implement resolutions of the Board of Management, of sub-committees under the Board of Management, or of a person with membership on a sub-committee under the Board of Management shall be deemed to be legally effective even when there may have been an error in the election and appointment of a member to the sub-committee or to the Board of Management.

## **VIII. CHIEF EXECUTIVE OFFICER, OTHER MANAGERS AND SECRETARY OF THE COMPANY**

### **Article 29 Organization of management apparatus:**

The Company shall create a management system which is liable to the Board of Management and under the leadership of the Board of Management. The Company shall have a managing director or chief executive officer or a number of deputy managing directors or deputy chief executive officers and a chief accountant appointed by the Board of Management. The managing director or chief executive officer and deputy managing directors or deputy chief executive officers may act concurrently as members of the Board, and shall be appointed or dismissed by the Board of Management by a duly approved resolution.

### **Article 30 Managers:**

1. Upon the proposal of the managing director or chief executive officer and with the approval of the Board of Management, the Company shall be entitled to employ a number and various categories of managers necessary for or in compliance with the management structure and practice of the Company as proposed by the Board of Management from time to time. Managers must be diligent as required in order for the Company to achieve the stated objectives of its operation and organization.
2. The salary, remuneration, benefits and other terms in a labour contract with the managing director or chief executive officer shall be as decided by the Board of Management, and labour contracts with other managers shall be as decided by the Board of Management after consulting the managing director or chief executive officer.



**Article 31 Appointment, removal, duties and powers of the managing director or chief executive officer:**

1. Appointment: The Board of Management shall appoint a member of the Board or another person as the managing director or chief executive officer and shall enter into a contract stipulating the salary, remuneration, benefits and other terms regarding employment. Information about salary, allowances and benefits of the managing director or chief executive officer must be reported at the annual General Meeting of Shareholders and must be reflected in the annual report of the Company.
2. Term of office: Pursuant to article 26 of this Charter, the managing director or chief executive officer may not be the chairman of the Board of Management. The term of office of the managing director or chief executive officer shall be three (3) years except where otherwise stipulated by the Board, and he/she may be re-appointed. The appointment may become null and void pursuant to terms in the labour contract. The managing director or chief executive officer may not be a person prohibited by law from holding such position such as a minor, a person lacking capacity for civil acts, a person sentenced to imprisonment or serving a prison sentence, an officer of the armed forces, a State official or an employee whom a [court] verdict states caused a company of which he was an official to become bankrupt.
3. Powers and duties: The managing director or chief executive officer shall have the following powers and responsibilities:
  - a. To implement resolutions of the Board of Management and of the General Meeting of Shareholders, and the business plan and investment plan of the Company approved by the Board of Management and the General Meeting of Shareholders;
  - b. To make decisions on issues which do not require a resolution of the Board of Management including the signing of financial and commercial contracts on behalf of the Company, and on the organization and management of day-to-day business and production activities of the Company in accordance with best management practices;
  - c. To make recommendations on the number and category of managers the Company needs to employ in order for the Board of Management to appoint or dismiss them when considered necessary for the purpose of effectively implementing activities and effectively applying the managerial structure proposed by the Board; and to provide advice to the Board so that it may decide the salary, remuneration, benefits and other terms for managers in their labour contracts;
  - d. To consult with the Board in order to make a decision on the number of employees, on their salary, allowances, benefits, appointment and dismissal and other terms relating to their labour contracts;
  - e. On (31<sup>st</sup> of October) each year, the managing director or chief executive officer must submit a detailed business plan for the next financial year to the Board of Management for its approval on the basis of satisfying the appropriate requirements of the budget and the five-year financial plan;
  - f. To implement the annual business plan approved by the General Meeting of

Shareholders and the Board of Management;

- g. To propose measures to improve the operation and management of the Company;
  - h. To prepare long-term, annual and monthly estimates of the Company (hereinafter referred to as an estimate) to service the long-term, annual and monthly management activities of the Company in accordance with the business plan. The annual estimated budget (including the forecast balance sheet, report on business and production activities and cash flow report) for each financial year must be submitted to the Board of Management for its approval and must comprise information as stipulated in rules of the Company;
  - i. To carry out other activities in accordance with this Charter, the rules of the Company, the resolutions of the Board of Management, the labour contract of the managing director or chief executive officer, and in accordance with law.
4. Reporting to the Board of Management and shareholders: The managing director or chief executive officer shall be liable before the Board of Management and the General Meeting of Shareholders for implementation of his/her assigned duties and powers, and must report [on such implementation] to such authorities if so required.
5. Removal: The Board of Management may remove the managing director or chief executive officer when two-thirds or more of the members of the Board vote to agree on such removal (not counting the vote of such managing director or chief executive officer) and may appoint a new managing director or chief executive officer for replacement. The removed managing director or chief executive officer shall have the right to object to such removal at the next General Meeting of Shareholders.

### **Article 32 Secretary of the company:**

The Board of Management shall appoint one (or more) persons as secretary of the Company with a term of office and other terms as decided by the Board of Management. The Board of Management may remove the secretary of the Company when considered necessary but not contrary to the applicable law on labour. The Board of Management may also appoint one or more assistants to the secretary of the Company from time to time. The role and duties of the secretary of the Company shall comprise:

- a. Organizing meetings of the Board of Management, of the Inspection Committee and of the General Meeting of Shareholders in accordance with orders from the Board of Management or Inspection Committee;
- b. Preparing minutes of meetings;
- c. Providing advice on procedures for meetings;
- d. Providing financial information, copies of minutes of meetings of the Board of Management and other information to members of the Board and the Inspection Committee.

The secretary of the Company shall be responsible to keep information confidential in accordance with law and this Charter.

**IX. DUTIES OF MEMBERS OF THE BOARD OF MANAGEMENT, CHIEF EXECUTIVE OFFICER (MANAGING DIRECTOR) AND MANAGERS**

**Article 33 Responsibility of members of the Board of Management, the managing director or chief executive officer and managers, to be prudent:**

Any member of the Board of Management, the managing director or chief executive officer and any authorized manager shall be responsible to perform his/her duties including duties in the capacity of a member of a sub-committee of the Board in a truthful manner, in the manner which is believed to be in the best interests of the Company, and with the degree of prudence which a prudent person must have in order to fill a corresponding position in similar circumstances.

**Article 34 Responsibility to be honest and to avoid conflicts of interests:**

1. Members of the Board of Management, the managing director or chief executive officer and managers shall not be permitted to use business opportunities profitable to the Company for personal purposes; and shall not be permitted to use information obtained by virtue of their position for their personal benefit or for the benefit of others.
2. Members of the Board of Management, the managing director or chief executive officer and managers shall be obliged to notify the Board of Management of any interests which may conflict with the interests of the Company and which they derive in their capacity as another economic legal entity or via some other personal transaction. The above-mentioned persons shall be permitted to use such opportunities where the members of the Board of Management who do not have related interests have decided not to investigate such issue.
3. The Company shall not be permitted to provide loans, guarantees or credit to members of the Board of Management, the managing director or chief executive officer, to managers and their families, or to legal entities in which the above-mentioned persons have a financial interest, unless otherwise decided by the General Meeting of Shareholders.
4. A contract or transaction between the Company and one or more members of the Board of Management, the managing director or chief executive officer, a manager or his/her related person or a company, partner, association or organization of which one or more members of the Board of Management or a manager or his/her related person is a member or has related financial interests shall not be void due to such relationship or due to the fact that such member of the Board of Management or such manager was present or attended a relevant meeting or participated on the Board or a sub-committee which permitted execution of such contract or transaction, or permitted the inclusion of his/her votes for such purpose [agreeing to implementation of the contract or transaction, if:
  - a. With respect to a contract valued at twenty (20) per cent or less of the total value of assets recorded in the most recent financial statements, the important factors regarding the contract or transaction and the relationship and interests of the manager or member of the Board were reported to the Board or to the relevant sub-committee; and at the same time, the Board or such sub-committee honestly

permitted the contract or transaction to be executed on the basis of the majority of votes of members of the Board without any related interest; or

- b. With respect to a contract valued at twenty (20) per cent or more of the total value of assets recorded in the most recent financial statements, the important factors regarding the contract or transaction and the relationship and interests of the manager or member of the Board were reported to the shareholders without any related interests and with the right to vote on such issue, and such shareholders voted in favour of such contract or transaction;
- c. An independent consultancy organization finds such contract or transaction fair and reasonable in all respects involving the shareholders of the Company at the time when such contract or transaction is permitted to be executed, or is passed or approved by the Board, a sub-committee under the Board, or the shareholders.

Any member of the Board of Management, the managing director or chief executive officer, and any manager or his/her related person shall not be permitted to purchase, sell or transact shares of the Company or its subsidiary in any form at the time of receipt of information stating it is certain that the price of such shares will be affected, and when other shareholders are unaware of such information.

#### **Article 35 Liability for loss, and compensation:**

- 1. Liability for loss: Any member of the Board of Management, the managing director or chief executive officer or any manager who breaches the obligation to act honestly [or] who fails to fulfill his/her obligations carefully, diligently and professionally shall be liable for any loss caused by such breach.
- 2. Compensation: The Company shall pay compensation to a person who has been, is or is likely to become a party involved in a claim, suit or legal proceeding which has been, is or is likely to be conducted, whether or not it is a civil or administrative case, (but excluding a lawsuit conducted by the Company or initiated by the Company within its powers) where such person was or is a member of the Board of Management, a manager, an employee or a representative authorized by the Company (or its subsidiary), or such person was or is doing things at the request of the Company (or its subsidiary) in the capacity as a member of the Board of Management, a manager, an employee or as an authorized representative of another company, partner, joint venture, trust or legal entity. Costs to be paid as compensation shall comprise all costs arising (including costs to hire a lawyer), costs of the judgement, penalties, amounts payable and actually arising or amounts deemed reasonable during the resolution of the case within the framework permitted by law, provided that such person has acted honestly, carefully, diligently and professionally in a manner which such person believed was in the interests or not contrary to the best interests of the Company, and on the basis of compliance with law and on condition that there is no discovery or confirmation that such person breached his/her obligations. The Company shall be entitled to purchase insurance for the above-mentioned persons in order to avoid having to pay such compensation itself.

## **X. INSPECTION COMMITTEE**

## **Article 36    Members of the Inspection Committee:**

1. The Inspection Committee shall be required to have from three (3) to five (5) members. At least one member of the Inspection Committee must be an accounting-financial expert. Such member must not be staff in the accounting-financial department of the Company and must not be a member or staff of the independent auditing firm which is auditing the financial statements of the Company. The Inspection Committee must appoint a member being a shareholder of the Company as the head of the Inspection Committee. The head of the Inspection Committee shall have the following rights and responsibilities:
  - a. To convene meetings of the Inspection Committee and to act as the head of the Inspection Committee;
  - b. To request the Company to provide relevant information in order to report to members of the Inspection Committee;
  - c. To prepare and sign reports of the Inspection Committee after consulting the Board of Management, and to submit same to the General Meeting of Shareholders.
2. A shareholder who holds less than ten (10) per cent of shares with voting rights for a consecutive period of at least six (6) months may collect votes in order to nominate candidates to the Inspection Committee. A shareholder or a group of shareholders which holds **from five(5) to** less than ten (10) per cent of voting shares for a consecutive period of at least six (6) months shall be entitled to nominate one (1) candidate; which holds from ten (10) per cent to less than thirty (30) per cent shall be entitled to nominate two (2) candidates; which holds from thirty (30) per cent to less than fifty (50) per cent shall be entitled to nominate three (3) candidates; which holds from fifty (50) per cent to less than sixty five (65) per cent shall be entitled to nominate four candidates and which holds from sixty five (65) per cent or more shall be entitled to nominate the full number of candidates.
3. Members of the Inspection of Committee shall be appointed by the General Meeting of Shareholders; the term of office of the Inspection Committee shall be not more than five (5) years; and members of the Inspection Committee may be re-appointed with an unlimited number of terms.
4. The membership of a member of the Inspection Committee shall be terminated in the following cases:
  - a. Such member is prohibited from being a member of the Inspection Committee by law;
  - b. Such member resigns by sending a written notice to the head office of the Company;
  - c. Such member suffers a mental disorder and other members of the Inspection Committee have expert evidence that such member has lost his/her capacity for civil acts;
  - d. Such member is absent from the meetings of the Inspection Committee for a consecutive period of six (6) months, and the Inspection Committee did not allow

such member to be absent within such period and has decided that the position of such member is vacated;

- e. Such member is dismissed from the Inspection Committee by a decision of the General Meeting of Shareholders.

### **Article 37 The Inspection Committee:**

1. The Company shall be required to have an Inspection Committee which shall have the powers and responsibilities stipulated in article 123 of the *Law on Enterprises* and in this Charter, which shall be principally the following powers and responsibilities:
  - a. To propose the selection of an independent auditing firm, fees for auditing and all issues relating to withdrawal by or removal of the independent auditing firm;
  - b. To discuss the nature and scope of auditing with an independent auditor before auditing work commences;
  - c. To consult independent professional or legal consultants, and to ensure that external experts with appropriate professional qualifications and experience participate in the work of the Company when considered necessary;
  - d. To inspect the annual, six-monthly and quarterly financial statements before submitting them to the Board of Management;
  - e. To discuss difficulties and outstanding issues discovered in the mid-term or final-term audit results as well as issues which the independent auditor wishes to discuss;
  - f. To review the management letter of the independent auditor and feedback from the Company's managing board/s;
  - g. To review reports of the Company on the internal control system before they are approved by the Board of Management; and
  - h. To review the results of internal inspections and feedback from the Company's managing board/s. .
2. Members of the Board of Management, the managing director or chief executive officer and managers shall be required to provide all information and documents relating to the operation of the Company at the request of the Inspection Committee. The secretary of the company must ensure that all copies of financial and other information provided to members of the Board of Management and copies of minutes of meetings of the Board are also provided to members of the Inspection Committee at the same time as they are provided to the Board of Management.
3. The Inspection Committee may issue rules on meetings of the Inspection Committee and the manner in which the Inspection Committee operates, after consulting the Board of Management. The Inspection Committee must meet at least twice each year and the minimum number of members attending a meeting must be two (2).
4. Total remuneration for the members of the Inspection Committee shall not exceed **200,000,000VND** per year. Such remuneration may be higher in accordance with a decision of the General Meeting of Shareholders. The members of the Inspection Committee shall be entitled to reimbursement of reasonable travel, hotel and other costs

arising from or in connection with business activities of the Company.

## **XI. RIGHT TO INVESTIGATE BOOKS AND RECORDS OF THE COMPANY**

### **Article 38 Right to investigate books and records:**

1. A shareholder or group of shareholders as referred to in articles 24.3 and 36.2 of this Charter shall have the right to send directly, or send via their lawyer or authorized person, a written request to be allowed to inspect the list of shareholders and minutes of meetings of the General Meeting of Shareholders and to copy or extract such records during business hours at the main business location of the Company. Such request for inspection by a lawyer representing a shareholder or by another authorized representative of the shareholder must be accompanied by a power of attorney or a notarized copy of the relevant power of attorney.
2. Members of the Board of Management, members of the Inspection Committee, the managing director or chief executive officer and managers shall be entitled to inspect the register of shareholders of the Company, the list of shareholders and other books and records of the Company concerning their positions in the Company, provided that such information is kept confidential.
3. The Company shall be required to archive this Charter, amendments of and additions to this Charter, the business registration certificate, any rules, documents proving ownership of assets, minutes of meetings of the General Meeting of Shareholders and of the Board of Management, reports of the Inspection Committee, annual financial statements, accounting books and any other documents in accordance with law at the head office or other location, provided that the shareholders and the business registration body have been notified of [such other] location where such documents are kept.
4. Shareholders shall be entitled to be given a free copy of this Charter by the Company. If the Company has a website, the Charter must be announced on such website.

## **XII. STAFF AND THE TRADE UNION**

### **Article 39 Staff and the Trade Union:**

The managing director or chief executive officer must prepare a plan in order for the Board of Management to approve issues relating to recruitment, labour, compulsory termination of employment, salary, social insurance, welfare, rewards and discipline applicable to managers and employees as well as regarding the relationship between the Company with accredited trade unions in accordance with best management standards, practices and policies, the practices and policies stipulated in this Charter, the rules of the Company, and applicable laws.

### **XIII. DISTRIBUTION OF PROFIT**

#### **Article 40 Dividends:**

1. In accordance with a decision of the General Meeting of Shareholders and the law, dividends shall be announced and paid from profit retained by the Company but shall not exceed the level proposed by the Board of Management after having consulted shareholders at the General Meeting of Shareholders.
2. The Board of Management may decide, in accordance with the *Law on Enterprises*, a mid-term payment of dividends when such payment is considered to conform with the profitability of the Company.
3. The Company shall not pay interest on dividends or on [other] sums paid on any class of shares.
4. The Board of Management may request the General Meeting of Shareholders to approve payment of all or part of dividends by specific assets (such as fully paid shares or bonds issued by other companies), and the Board of Management shall be the body implementing such resolution.
5. When payment of dividends or other sums paid on any class of shares is made in cash, the Company must make payment in Vietnamese dong and may make payment by cheque or money order posted to the registered address of any beneficiary shareholder; if any risk arises (out of the registered address of a shareholder) then such shareholder shall be responsible for such risk. In addition, the amount used to pay dividends or other sums paid on any class of shares may be paid by bank transfer if the Company has bank details so as to directly transfer payment to such shareholder's bank account. If the Company makes a bank transfer based on the exact banking details provided by a shareholder but such shareholder does not receive the money, the Company shall not be liable for the amount which it so transferred to the shareholder. Payment of dividends on shares listed on the Stock Exchange/Securities Trading Centre may be made via a securities company or Depository Centre.
6. The Board of Management may decide and announce that owners of ordinary shares shall be entitled to receive dividends by ordinary shares instead of cash dividends, if the General Meeting of Shareholders so approves. Additional shares used to pay such dividends shall be recorded as shares the purchase price of which has been fully paid, on the basis that the value of shares received in lieu of dividends corresponds to the cash amount for payment of dividends.
7. The Board of Management may approve a resolution which stipulates a specific date as the closing date of the business operational register of the Company, based on the *Law on Enterprises*. On such date, any person who has registered as a shareholder or owner of other securities shall be entitled to receipt of dividends, interest, distribution of profit, and receipt of share certificates, notices or other documents. Such closing date may coincide with or may be earlier than the date on which such interests may be [are entitled to be] exercised. This article shall not affect the interests of the two parties to



any transfer of the relevant shares or securities.

**Article 41 Other issues relating to distribution of profit:**

Other issues relating to distribution of profit shall be implemented in accordance with law.

**XIV. BANK ACCOUNTS, RESERVE FUND, FINANCIAL YEAR AND ACCOUNTING SYSTEM**

**Article 42 Bank accounts:**

1. The Company shall open a bank account at a Vietnamese bank or foreign bank authorized to operate in Vietnam.
2. The Company may, where necessary and with prior approval of the competent body, open a bank account in a foreign country in accordance with law.
3. The Company shall conduct payment and accounting transactions via its Vietnamese dong account or foreign currency account at the bank where it opens such account.

**Article 43 Reserve fund and other funds allocated from after- tax profit :**

1. Reserve fund:

Each year the Company shall take an amount from its after-tax profit and transfer it into a reserve fund to supplement charter capital in accordance with law. Such amount shall not exceed five (5) per cent of the after-tax profit of the Company and shall be taken until the reserve fund is equivalent to ten (10) per cent of the charter capital of the Company.

2. **Other funds, rate of allocation will be decided by the Shareholder Meeting, including:**
  - a. **Financial reserve fund.**
  - b. **Fund for rewards and welfare benefits.**
  - c. **Board's fund.**
  - d. **Fund for productivity encouragement for employees and sales promotion for customers: shall be used to pay special rewards to employees or other individual and organ with great contribution or assistance to the Company.**

**Article 44 Financial year:**

The financial year of the Company shall commence from the first day of January each year and shall end on the 31<sup>st</sup> December in the same year. The first financial year shall begin from the date of issuance of the business registration certificate (or business licence in respect of conditional industries and business sectors) and shall end on the 31<sup>st</sup> December after the date

of issuance of such business registration certificate (or business licence).

**Article 45    Accounting system:**

1. The accounting system used by the Company shall be Vietnamese Accounting System (VAS) or another accounting system approved by the Ministry of Finance.
2. The Company shall prepare accounting books in Vietnamese. The Company shall archive the accounting records in accordance with the form of business activities conducted by the Company. Such records must be accurate, updated, systematic and sufficient to prove and explain the transactions of the Company.
3. The Company shall use Vietnamese dong as the currency in accounting.

**XV. ANNUAL STATEMENTS, RESPONSIBILITIES FOR DISCLOSURE OF INFORMATION AND PUBLIC ANNOUNCEMENT**

**Article 46    Annual, six-monthly and quarterly statements:**

1. The Company shall prepare annual financial statements in accordance with law and the regulations of the State Securities Commission, and such statements must be audited in accordance with article 48 of this Charter. Within a time-limit of ninety (90) days from the end of each financial year, the annual financial statements, which has been approved by the General Meeting of Shareholders must be submitted to the authorized tax authority, the State Securities Commission, the Stock Exchange/Securities Trading Centre and the business registration body.
2. Annual financial statements must contain a report on the results of business and production activities which reflects in a truthful and objective manner the profit and loss of the Company in the financial year, a balance sheet which reflects truthfully and objectively the activities of the Company as at the time of preparation of the statement, a cash flow report and explanatory notes to the financial statements. If the Company is a parent company, a consolidated balance sheet on the operation of the Company and its subsidiaries as at the end of each financial year must also be included in addition to the annual financial statements.
3. The Company must formulate six-monthly and quarterly statements in accordance with regulations of the State Securities Commission and submit them to the State Securities Commission and the Stock Exchange/Securities Trading Centre.
4. A summary of the contents of the audited annual financial statements must be sent to all shareholders and announced in three consecutive issues of a local daily newspaper and a central economic newspaper. If the Company has its own website, the audited financial statements and the six-monthly and quarterly statements of the Company must be announced on such website.
5. Interested organizations and individuals shall be entitled to inspect or copy the audited annual financial statements and the six-monthly and quarterly statements during business hours of the Company at its head office, and shall be required to pay reasonable copying expense.

## **Article 47 Disclosure of information and public announcement:**

Annual financial statements and other supporting documents must be disclosed to the public in accordance with regulations of the State Securities Commission and must be submitted to the relevant tax authority and the business registration body in accordance with the *Law on Enterprises*.

## **XVI. AUDITING THE COMPANY**

### **Article 48 Auditing:**

1. At the annual General Meeting of Shareholders, an independent auditing firm which legally operates in Vietnam and which is permitted by the State Securities Commission to audit listed companies shall be appointed to carry out the auditing of the Company for the next financial year on the basis of the terms and conditions as agreed by the Board of Management. (In the first financial year, the Board of Management shall appoint an auditing firm to conduct the auditing of the Company after the business registration certificate is issued).
2. The Company shall be required to prepare and send the annual financial statements to the independent auditing firm after the end of a financial year.
3. The independent auditing firm shall inspect, certify and make a report on the annual financial statements which reflects the income and expenditure of the Company, and shall prepare an audit report and submit same to the Board of Management within a period of two (2) months from the end of the financial year. The staff of the independent auditing firm, who audit the Company must be approved by the State Securities Commission.
4. A copy of the audit report must be sent with the annual financial statements of the Company.
5. The auditor who audits the Company shall be permitted to attend all meetings of the General Meeting of Shareholders and shall be entitled to receive other notices and information which the shareholders are entitled to receive and relating to the General Meeting of Shareholders, and shall be entitled to express his/her opinions about issues relating to auditing.

## **XVII. SEAL**

### **Article 49 Seal:**

1. The Board of Management shall make a decision approving the official seal of the Company and such seal must be engraved in accordance with law.
2. The Board of Management and the managing director or chief executive officer shall use and manage the seal in accordance with the applicable law.

## **XVIII. TERMINATION OF OPERATION AND LIQUIDATION**

### **Article 50 Termination of operation:**

1. The Company may be dissolved or terminated in the following cases:
  - a. The duration of operation of the company expires, including after any extension;
  - b. A court declares the Company bankrupt in accordance with the applicable law;
  - c. The General Meeting of Shareholders makes a decision on early dissolution.
  - d. Other cases as stipulated by law.
2. The early dissolution of the Company (including any extended period) shall be decided by the General Meeting of Shareholders and shall be implemented by the Board of Management. The decision on dissolution must be reported to, or must be approved by (if so required by law) the competent body in accordance with regulations.

### **Article 51 Cases of deadlock between members of the Board of Management and shareholders:**

Shareholders holding half of the currently circulating shares with rights to vote in the election of members to the Board of Management shall have the right to lodge a petition with a court requesting dissolution on one or more of the following grounds, unless otherwise stipulated by this Charter:

1. Members of the Board of Management failed to uniformly administer the work of the Company, resulting in failure to obtain the number of votes required by the regulations to operate the Board of Management.
2. The shareholders have failed to agree, so that the number of votes required by the regulations cannot be obtained in order to elect members to the Board of Management.
3. There is internal disagreement within the Company and two or more factions of shareholders are divided so that dissolution is the option in the best interests of all shareholders.

### **Article 52 Extension of duration of operation:**

1. The Board of Management shall convene a meeting of the General Meeting of Shareholders within a time-limit of at least seven (7) months prior to expiry of the duration of operation so that the shareholders may, at the request of the Board of Management, vote on extension of duration of operation of the Company.
2. The duration of operation shall be extended when there is approval from sixty five (65) per cent or more of the total votes of shareholders with voting rights who are present directly or via their authorized representatives at the General Meeting of Shareholders.

### **Article 53     Liquidation:**

1. The Board of Management must establish a liquidation committee consisting of three (3) members, no less than six (6) months before expiry of the duration of operation of the Company or after a decision on dissolution of the Company is made. The General Meeting of Shareholders shall appoint two members to the committee and the Board of Management shall appoint one member from an independent auditing firm. The liquidation committee shall formulate its operational rules. Members of the liquidation committee may be selected from the employees of the Company or they may be independent experts. All expenses relating to liquidation shall be paid by the Company in priority to other debts of the Company.
2. The liquidation committee shall be responsible to report its date of establishment and date of commencement of operation to the business registration body. From such point of time<sup>4</sup>, the liquidation committee shall represent the Company in all work relating to the liquidation before a court and administrative bodies.
3. Proceeds from the liquidation shall be disbursed in the following order:
  - a. Expenses of liquidation;
  - b. Wages and insurance costs for employees;
  - c. Taxes and other payments of a tax nature which the Company must pay to the State;
  - d. Loans (if any);
  - e. Other debts of the Company;
  - f. After all the debts in items (a) to (e) above have been paid, the balance shall be distributed to shareholders. Preference shares shall be paid in priority.

## **XIX.            INTERNAL DISPUTE RESOLUTION**

### **Article 54     Internal dispute resolution:**

1. Where a dispute or a complaint relating to the operation of the Company or to the rights of shareholders arises out of this Charter or out of any rights or obligations stipulated in the *Law on Enterprises*, in other laws or administrative regulations between:
  - a. A shareholder with the Company; or
  - b. A shareholder with the Board of Management, the Inspection Committee, the managing director or chief executive officer or a senior manager, then:

The relevant parties shall attempt to resolve such dispute by way of negotiation and conciliation. Except where such dispute involves the Board of Management or the chairman of the Board of Management, the chairman of the Board of Management shall preside over resolution of the dispute and shall require each party to present the real issues in the dispute within a period of 7 business days from the date of the dispute arising. If the dispute involves the Board of Management or the chairman of the Board of Management, any party may require to appoint an independent expert who shall act as arbitrator during the course of

resolution of the dispute.

2. If a decision on reconciliation is not made within a time-limit of six (6) weeks from the beginning of the reconciliation process or if the decision of the reconciling medium is not accepted by the parties, then any party may take such dispute to economic arbitration or to the economic court.
3. The parties shall bear all costs relating to procedures for negotiation and conciliation. The court shall decide which party is to bear the costs of the court.

## **XX. ADDITION TO AND AMENDMENT OF THIS CHARTER**

### **Article 55 Addition to and amendment of this Charter:**

1. Any addition to and amendment of this Charter must be considered and decided by the General Meeting of Shareholders.
2. Where any regulations of law relating to the operation of the Company have not been mentioned in this Charter or where new regulations of law are different from the content of this Charter, such regulations of law shall automatically apply to, and shall regulate the operation of the Company.

## **XXI. EFFECTIVE DATE**

### **Article 56 Effective date:**

1. This Charter comprises XXI Chapters and fifty seven (57) articles, and was passed by the **Annual General Meeting of Shareholders of Gemadept Corporation on 19<sup>th</sup> May, 2008** in Ho Chi Minh City and the General Meeting of Shareholders approves the validity of the whole text of this Charter.
2. This Charter is made in ten (10) copies, each with the same validity, of which:
  - a. 1 copy shall be submitted to the State Notary Public in the locality;
  - b. 5 copies shall be registered with an authority in accordance with regulations of the municipal or provincial people's committee; and
  - c. 4 copies shall be kept at the office of the Company.
3. This charter shall be the sole and official Charter of the Company.
4. Copies or extracts of the Charter of the Company shall be valid when they bear the signature of the chairman of the Board of Management or the signatures of at least half of the total number of members of the Board of Management.

### **Article 57 Signatures of founding shareholders or legal representative of the company:**

## **LEGAL REPRESENTATIVE OF THE COMPANY**