

**SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION**

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**CHARTER**

**SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION**

**(SABECO)**

*Ho Chi Minh City, July 21st, 2018*



## **PREAMBLE**

This Charter of Saigon Beer – Alcohol – Beverage Corporation (hereinafter called the “SABECO”) serves as legal basis for all the operations of SABECO, a corporation set up and existing under the Law on Enterprises.

The Charter, the resolutions of the General Meeting of Shareholders, decisions of the Board of Directors and other decisions promulgated by SABECO, if approved properly in accordance with the relevant laws, shall be the binding rules and regulations on business activities of SABECO.

This Charter has been approved by the General Meeting of Shareholders of SABECO on July 21, 2018 (hereinafter called the “Charter”).

This Charter shall replace: The Charter as approved amongst shareholders at the General Meeting of Shareholders for establishment of the Corporation held on 7 April 2008; the 1<sup>st</sup> Amended Charter approved by shareholders via written opinions on 7 June 2008 and the 2<sup>nd</sup> Amended Charter approved by shareholders via written opinions on 13 February 2012; the Charter as approved by the General Meeting of Shareholders on 24 May 2013; the Charter as approved by the General Meeting of Shareholders on 26 January 2016; the Charter as approved by the General Meeting of Shareholders on 08 August 2017.

## **CHAPTER I**

### **DEFINITION OF TERMS IN THE CHARTER**

#### **Article 1. Definitions**

1. In this Charter, the following terms shall mean as defined below:
  - a. “Charter Capital of Joint Stock Company” means the total par value of sold shares of all classes.
  - b. “Law on Enterprises” means Law on Enterprises No. 68/2014/QH13 as approved by the National Assembly on 16 November 2014 and the amendments thereof (if any).
  - c. “Founding Date” means the date on which Saigon Beer – Alcohol – Beverage Corporation is granted the first Business Registration Certificate.
  - d. “Corporation” or “SABECO” means Saigon Beer – Alcohol – Beverage Corporation.
  - e. “Managers” mean the Chairman and members of Board of Directors, General Director, Deputy General Director, Chief Accountant of the Corporation.
  - f. “Executives” mean the General Director, Deputy General Director, Chief Accountant of the Corporation.
  - g. “Non-executive Member of Board of Directors” means a member of the Board of Directors other than the General Director, Deputy General Director, Chief Accountant of the Corporation.

- h. “Independent Member of Board of Directors” (hereinafter called an ‘independent member’) means a member of the Board of Directors defined in Clause 2 Article 151 of the Law on Enterprises.
  - i. “Person in charge of management of SABECO” means the person whose duties and powers are defined in Article 18 of Decree 71/2017/ND-CP dated 6 June 2017 or the amendments / supplements thereof.
  - j. “Concerned persons” mean any individuals or organizations defined in Clause 17 Article 4 of the Law on Enterprises, Clause 34 Article 6 of the Law on Securities.
  - k. “Shareholders” mean all individuals or organizations whose names are inscribed in the Register of Shareholders of SABECO in their capacity as share owners.
  - l. “Duration” means the operation duration of SABECO as provided for in Article 2 hereof.
  - m. “Vietnam” means the Socialist Republic of Vietnam.
  - n. “Audit Committee” means the audit committee under the Board of Directors as stipulated in Article 134.1(b) of the Law on enterprises and this Charter;
- 2. In this Charter, any reference to any clause or any document shall cover their amendments or substitutes.
  - 3. The headings included herein (chapter, article) are for convenient reference only and do not affect the interpretation of this Charter.
  - 4. Words and terms defined in the Law on Enterprises (if not contradictory with subjects or contents) shall have the meanings similar to those in this Charter.

## **CHAPTER II**

### **NAME, FORM, HEAD OFFICE, LEGAL REPRESENTATIVE, BRANCHES,**

### **REPRESENTATIVE OFFICES AND OPERATION DURATION OF SABECO**

#### **Article 2. Name, form, head office, legal representative, branches, representative offices and operation duration of SABECO**

- 1. Name of the Corporation:
  - Vietnamese name: TỔNG CÔNG TY CỔ PHẦN BIA - RƯỢU - NƯỚC GIẢI KHÁT SÀI GÒN
  - English name: SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION
  - Business name: TỔNG CÔNG TY CỔ PHẦN BIA - RƯỢU - NƯỚC GIẢI KHÁT SÀI GÒN



- Abbreviated name: SABECO
- 2. Logos of Saigon Beer – Alcohol – Beverage Corporation:
  - a. Logo of the Corporation includes a dragon and “SABECO” presented as below:



- b. Logo of Saigon beer products includes “BIA” in upper position and “SAIGON” in lower position presented as below:



- c. The logos are also differentiated with other images, slogans and symbols.
  - 3. Saigon Beer – Alcohol – Beverage Corporation (hereinafter called SABECO) was established following the equitization of Saigon Beer – Alcohol – Beverage Corporation – a wholly State-owned corporation, organized and existing under the Law on Enterprises. Accordingly, SABECO has had its legal person status from the Founding Date and shall inherit all rights and obligations of the State-owned corporation; and the Shareholders shall be liable for the debts and other property obligations of SABECO to the extent of the capital amounts they contributed to SABECO.
  - 4. Registered head office of SABECO:
    - Address: 187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh city, Vietnam
    - Tel.: (028) 38294081 - 38294083 - 38296342
    - Fax: (028) 38296856
    - E-mail: [sabeco@sabeco.com.vn](mailto:sabeco@sabeco.com.vn)
    - Website: [www.sabeco.com.vn](http://www.sabeco.com.vn)
  - 5. The Chairman of Board of Directors and the General Director is the legal representative of SABECO.
  - 6. SABECO may set up branch(es), representative office(s) within its business geographical areas in order to achieve its objectives in accordance with the resolutions of the Board of Directors and within the scope permitted by the law.
  - 7. SABECO’s operation duration shall start from its founding date and shall be indefinite.



### **CHAPTER III**

#### **OBJECTIVES AND SCOPE OF BUSINESS, OPERATIONS OF SABECO**

##### **Article 3. Business objectives**

###### **1. Business areas of SABECO:**

Code	Content
6820	Consultancy, brokerage, real-estate auction, land use right auction Details: brokerage services, real estate exchange, real estate consultancy and real-estate management (excluding legal consultancy).
1101	Boiling, refining and distilling various types of strong liquor Details: Manufacture of beverages (excluding fresh food; manufacture of beers, alcohols, and other beverages at the headquarters)
1102	Producing house wine Details: Manufacture of beverages (excluding fresh food; manufacture of beers, alcohols, and other beverages at the headquarters)
1103	Producing beer and malt fermented with beer yeast Details: Manufacture of beverages (excluding fresh food; manufacture of beers, alcohols, and other beverages at the headquarters)
4633	Wholesale of beverages Details: Sales and purchases of beer, alcohol, wine and beverage
4669	Other uncategorized specialized wholesale Details: wholesale of packaging, labels for beer, wine, beverage and food
4659	Wholesale of other machines, equipment and appliances Details: Wholesale of supplies, materials, equipment and appliances in relation to the manufacturing of wine, beer, beverages, additives, flavorings, quintessence used in manufacturing beer, alcohol, beverage; food products
4290	Other civil and technical construction Details: civil and industrial engineering
3320	Installing industrial machines and equipment Details: Installing, manufacturing machinery and equipment for the beer-wine-beverage industry and food industry (excluding

	mechanical processing, waste recycling, electroplating, rubber laminating at the headquarters).
8559	Other uncategorized education Details: Vocational training
7320	Market research and survey Details: Market research
6619 (main)	<b>Uncategorized finance-assistant services</b> <b>Details: Investment consultancy (excluding finance consultancy and accounting)</b>
5610	Restaurants and mobile food services Details: Restaurant and hotel services (the provision of services should be carried out in parallel with investment in construction, upgrading, renovation or acquisition of hotels and hotel services are not operated at the headquarters).
6810	Real-estate, land use rights of owner, users or leased land Details: Real estate business (only in accordance with Article 11.3 of the Law on Real Estate Business).
1104	Producing non-alcoholic beverages and mineral water Details: Manufacture of beverages (excluding fresh food; manufacture of beers, alcohols, and other beverages at the headquarters).
1079	Producing other uncategorized food Details: Manufacturing, processing food (excluding fresh food processing)
4632	Wholesale of food products Details: sales and purchases of food (excluding rice, cane, beet sugar) (not operating at the headquarters)
3312	Repairing machines and equipment Details: repair and maintenance of machinery and equipment for the beer-wine-beverage industry and food industry (excluding mechanical processing, waste recycling, electroplating, rubber lamination at the headquarters).

2. Business goals of SABECO:

- Making SABECO Vietnam's leading beverage group, having firm foothold in the region and the international arena.



- Developing Vietnam's beverage industry to the international stature; promoting Vietnamese cuisine culture; improving life quality by way of providing premium, safe and healthy beverages; practically benefiting shareholders, customers, partners, employees and the society.
- Satisfying the beverage demand while meeting international food safety standards: "Food hygiene & safety and environment protection".
- Fulfilling all obligations to the State subject to the principle of being transparent in business.
- Actively joining social activities. Developing towards international integration.

#### **Article 4. Scope of business and operation**

1. SABECO may plan and carry out business activities in line with the provisions of the Enterprise Registration Certificate and this Charter and in line with the relevant laws; and may take suitable measures for the purpose of attaining its goals.
2. SABECO may perform other business activities as permitted by the law and approved by the General Meeting of Shareholders.

### **CHAPTER IV**

#### **CHARTER CAPITAL, SHARES**

##### **Article 5. Charter Capital, Shares**

1. The Charter Capital of SABECO is VND 6,412,811,860,000 (six trillion four hundred and twelve billion eight hundred and eleven million eight hundred and sixty thousand Vietnam Dongs only).
2. Total Charter Capital of SABECO is divided into 641,281,186 shares (six hundred and forty-one million two hundred and eighty-one thousand one hundred and eighty-six shares) with the par-value of VND 10,000/share.
3. SABECO may increase/decrease the Charter Capital only when it is so approved by the General Meeting of Shareholders in accordance with the provisions of the law.
4. All the shares issued by SABECO on the date this Charter is adopted shall be ordinary shares, including those held by the State. The rights and obligations accorded to the shareholders holding ordinary shares are prescribed in Clause 2 Article 13 hereof.
5. SABECO may issue other kinds of preference shares after it is so approved by the General Meeting of Shareholders in accordance with the provisions of the law.
6. Ordinary shares shall be, unless otherwise decided by the General Meeting of Shareholders, given priority in offering for sale to the existing shareholders in proportion to the respective percentage of ordinary shares of each shareholder in



SABECO. The sale offer of shares must be in line with the Law on Enterprises and the Law on Securities. The shares not bought up shall be subject to control of the Board of Directors. The Board of Directors may distribute those shares to the persons under the conditions and methods which the Board of Directors deems appropriate, provided that those shares must not be sold under the conditions more favorable than those offered for sale to the existing shareholders, unless where the shares are auctioned via securities trading centers.

7. SABECO may redeem its own shares by methods prescribed in this Charter and the relevant laws. Shares redeemed by SABECO shall be treasury shares or unpaid shares and may be offered by the Board of Directors for sale in a method compatible with the provisions of this Charter, the Law on Securities and the relevant guiding documents.
8. SABECO may issue other kinds of securities upon the written ratification by the General Meeting of Shareholders in accordance with the relevant laws.

#### **Article 6. Share certificate**

1. Every shareholder of SABECO is entitled to be granted a share certificate prescribing the number and class of shares held by such shareholder.
2. Every issued share certificate must be stamped with SABECO's seal and signed by SABECO's legal representative according to the provisions of the Law on Enterprises. This certificate shall clearly state the number and class of relevant shares, the holder's full name and other particulars stipulated in the Law on Enterprises.
3. Within two (02) months from the date of submission of the dossier for transfer of share ownership as stipulated by the Corporation or such other period as prescribed in the relevant issuance terms from the date the relevant shares have been fully paid for in line with the Corporation's shares issuance plan, the holder of the relevant shares shall be granted a share certificate, without being required to pay to the Corporation any fee for printing the share certificate.
4. If a share certificate is lost, damaged, or otherwise destroyed, a new share certificate shall be granted to the holder at his/her request, provided that such a request must satisfy the provisions of Clause 3 Article 120 of the 2014 Law on Enterprises.

#### **Article 7. Certificate of other securities**

Certificates of bonds or other securities of SABECO (other than letters of sale offer, provisional certificates and the like) shall be issued with seal and specimen signature of SABECO's legal representative.



**Article 8. Share transfer**

1. All shares can be freely transferred, except it is otherwise provided for by this Charter and the law. All shares listed at the Securities Exchanges are transferable under the relevant laws on securities and securities market.
2. Shares which have not yet been paid in full may not be transferred and entitled to related benefits, such as right to receive dividends, right to receive shares issued to increase shareholding capital from equity or right to purchase new shares offered for sale.
3. Shares purchased under the plan of selling to strategic shareholders may not be transferred within 05 years from the date of purchase. In an extraordinary case where such shares must be transferred ahead of schedule, an approval of SABECO's Board of Directors must be obtained.

**Article 9. Recovery of shares**

1. Where a shareholder fails to pay in full and on time the amount payable to purchase shares, the Board of Directors shall provide a notice and have the right to request such shareholder to pay the remaining amount together with the interest thereon and expenses incurred by SABECO because of such failure to pay.
2. The above-mentioned notice must clearly state the new payment time-limit (at least seven days as from the date of sending the notice) and venue and clearly state that if the payment is not made strictly according to the request, the shares not yet paid up shall be recovered.
3. If the requests stated in such a notice as mentioned above are not satisfied, the Board of Directors may recover all the shares that have not been fully and timely paid for.
4. Recovered shares shall be deemed shares entitled to be offered for sale. The Board of Directors may, by itself or by authorization, sell, re-distribute or resolve such shares to the persons who owned the recovered shares or to other entities on conditions and in the manners the Board of Directors considers appropriate.
5. A shareholder who holds the recovered shares shall have to abandon his/her capacity as a shareholder over such shares but still have to pay to SABECO all money amounts related to those shares plus the interests thereon at the rate (not higher than the interest rate of deposits for a term equal to the time of late payment) determined by the Board of Directors as from the date of recovery to the date of payment and the Board of Directors shall have full power to decide the forced payment of the entire share value by the time of recovery or may exempt or partially reduce such payable money amount.
6. Notices on the recovery shall be sent to the persons who hold such shares before the time of recovery; but in all circumstances, the recovery shall not be invalidated for the reasons of missing out or carelessness in sending the notices.



**Article 10. Redemption of Shares at the request of Shareholders**

1. Shareholders voting against resolutions on reorganization of the Corporation or on the changes in the rights and obligations of shareholders stipulated in this Charter are entitled to request the Corporation to redeem their shares. The request must be made in writing and state clearly the name, address of that shareholder, number of shares of each class, proposed sale price, and reasons for such request of redemption. The request must be sent to the Corporation within a period of 10 days from the date on which the General Meeting of Shareholders approves the resolution on the matters mentioned in this clause.
2. The Corporation shall redeem shares at the request of shareholders made in accordance with Clause 1 of this Article within a period of 90 days from the date of receipt of the request at the current market price or the price calculated in accordance with the provisions of this Charter. Where agreement cannot be reached on such price, the parties may request a professional valuation organization to determine the price. The Corporation shall introduce at least 03 professional valuation organizations for selection by the shareholder and such selection is the final decision.

**Article 11. Redemption of shares pursuant to the Corporation's decision**

The Corporation may redeem no more than 30% of the total number of ordinary shares sold, and part or all of its preference shares sold, in accordance with the following provisions:

1. The Board of Directors shall decide the redemption of no more than 10% of the total number of shares of each class already offered for sale each 12 months. In other cases, the redemption of shares shall be decided by the General Meeting of Shareholders.
2. The Board of Directors shall decide on the price for redemption of shares. The price for redemption of ordinary shares shall not be higher than the market price at the time of redemption, subject to the exception in Clause 3 of this Article. In respect of shares of other classes, unless otherwise agreed between the Corporation and the relevant shareholders, the price for redemption shall not be lower than the market price.
3. The Corporation may redeem shares of each shareholder in proportion to the number of shares each holds in the Corporation. In this case, the resolution to redeem shares of the Corporation shall be notified by a means which is guaranteed to reach all shareholders within thirty 30 days from the date on which such resolution is passed. The notice must indicate name, head office address of the Corporation, total number of shares and class of the shares to be redeemed, redemption price or rules of determining the redemption price, procedures and payment term, procedures and deadline for shareholders to offer to sell their shares to the Corporation.



Shareholders who agree to have their shares redeemed must send an offer to sell their shares by a method guaranteed to reach the Company within 30 days from the date of notice. The notice must indicate full name, permanent address, number of citizenship card / identity card, passport or other legal personal identification paper (in case of an individual shareholder); name, enterprise code or establishment decision number, head office address (in case of an organization shareholder); number of shares held and number of shares to be sold; payment method; signature of shareholder or shareholder's legal representative. The Corporation shall only redeem offered shares within the above mentioned time-limit.

## **CHAPTER V**

### **ORGANIZATIONAL AND MANAGEMENT STRUCTURE**

#### **Article 12. Management Structure**

SABECO's management structure includes:

1. General Meeting of Shareholders;
2. Board of Directors;
3. General Director.

## **CHAPTER VI**

### **SHAREHOLDERS AND GENERAL MEETING OF SHAREHOLDERS**

#### **Article 13. Rights of shareholders**

1. Shareholders are owners of SABECO and have rights and obligations corresponding to the number of shares and classes of shares they own. The shareholders shall be liable for the debts and other property obligations of SABECO to the extent of the capital amounts they contributed to SABECO.
2. Holders of ordinary shares shall have the following rights:
  - a. Attending and expressing opinions at the General Meeting of Shareholders and exercising the right to vote directly or through an authorized representative or by remote voting;
  - b. Receiving dividends at the rate decided by the General Meeting of Shareholders;
  - c. Freely transferring the fully paid shares according to the provisions of this Charter and the relevant laws;
  - d. Being given priority in purchasing new shares offered for sale in proportion to the number of ordinary shares such shareholder holds;

- e. Sighting, searching or making an extract of information relating to each shareholder in the list of shareholders who are qualified to attend the General Meeting of Shareholders and requesting amendment of incorrect information;
  - f. Sighting, searching or making an extract or copy of the Charter of SABECO, the book of minutes of the General Meeting of Shareholders and resolutions of the General Meeting of Shareholders;
  - g. Upon dissolution or bankruptcy of SABECO, receiving part of the remaining assets in proportion to the number of shares owned, provided that SABECO has fully paid off its debts and other property liabilities to its creditors and the shareholders holding other classes of shares of SABECO in accordance with law;
  - h. Requesting SABECO to redeem their shares in the cases prescribed in the Law on Enterprises;
  - i. Other rights prescribed in this Charter and the relevant laws.
3. A shareholder or a group of shareholders holding at least 10% of the ordinary shares for six (06) consecutive months or more shall have the following rights:
- a. Nominating members of the Board of Directors according to the relevant provisions of Clause 3 Article 26 hereof;
  - b. Requesting the convention of a General Meeting of Shareholders by the Board of Directors in line with Clause 2 Article 114 and Clause 6 Article 136 of the Law on Enterprises;
  - c. Examining and making an extract of book of minutes and resolutions of the General Meeting of Shareholders, bi-annual and annual financial statements prepared in line with Vietnamese Accounting System.
  - d. Other rights prescribed in this Charter.

#### **Article 14. Obligations of Shareholders**

The shareholder shall have the following obligations:

- 1. Abiding by SABECO's Charter and regulations; decisions of the General Meeting of Shareholders and the Board of Directors.
- 2. Attending meetings of the General Meeting of Shareholders and exercising the voting right in person or via an authorized representative or by remote voting. A shareholder may authorize a member of the Board of Directors to act as his/her representative at the General Meeting of Shareholders.
- 3. Paying in full and on time the purchase price of shares which have been registered for purchase.
- 4. Providing the correct address when registering to purchase shares.
- 5. Fulfilling other obligations in accordance with the relevant laws.



6. Bearing personal liability where he/she performs one of the following acts in any form in the name of SABECO:
  - a. Breach of the law;
  - b. Conducting business and other transactions for the personal benefit of itself or other organizations or individuals;
  - c. Premature payment of debts where the Corporation is likely to be in financial danger.

#### **Article 15. General Meeting of Shareholders**

1. The General Meeting of Shareholders is the highest competent authority of SABECO. The annual General Meeting of Shareholders shall be organized once every year. The General Meeting of Shareholders must hold an annual meeting within a time-limit of four (04) months from the end of a financial year, which time-limit may be extended upon registration to the business registration authority if requested by the Board of Directors but not exceeding 06 months from the end of the relevant financial year.
2. The annual General Meeting of Shareholders shall be convened by the Board of Directors at a venue within the territory of Vietnam. The annual General Meeting of Shareholders shall decide on matters prescribed by the law and this Charter, especially the approval of annual financial statements and estimated budget for the next financial year. Independent auditors may be invited to attend the meeting to give advice on the adoption of the annual financial statements.
3. The Board of Directors must convene an extraordinary General Meeting of Shareholders in the following cases:
  - a. The Board of Directors considers it necessary to do so in the interests of SABECO;
  - b. The annual balance sheet, the quarterly or semi-annual reports or the auditor's report of the financial year reflects the loss of half (1/2) of the equity in comparison with the amount at the beginning of the same period.
  - c. The number of members of the Board of Directors becomes smaller than the number required by the law or smaller than half (1/2) of the number of members stated in the Charter;
  - d. A shareholder or a group of shareholders prescribed in Clause 3 Article 13 hereof requests in writing the convention of General Meeting of Shareholders. A request requesting the convention of General Meeting of Shareholders must be in written form, which contains full name, permanent address, number of citizenship card / identity card, passport or other legal personal identification paper (in case of an individual shareholder); name, enterprise code or establishment decision number, head office address (in case of an organization shareholder); number of shares and date of registration of shares of each



shareholder, total number of shares of the group of shareholders and the percentage of ownership in the total number of shares of the Corporation; the reasons for and purposes of such meeting. Enclosed with such request must be documents, evidences of violations of the Board of Directors, degree of violation or decision made ultra vires;

- e. Other cases as provided for by the law and this Charter.
4. Convention of extraordinary General Meeting of Shareholders:
- a. The Board of Directors must convene a General Meeting of Shareholders within thirty (30) days as from the date of receiving the requests stated at Article 15.3(c) or Articles 15.3(d) and (e) hereof.
  - b. If the Board of Directors fails to convene the General Meeting of Shareholders as prescribed in Clause 4(a) of this Article then within the next thirty (30) days, the shareholders or groups of shareholders with the request as prescribed in Clause 3(d) of this Article shall replace the Board of Directors to convene the General Meeting of Shareholders in accordance with Article 136.6 of the Law on Enterprises.

In this case, the shareholders or groups of shareholders convening the General Meeting of Shareholders may request the business registration authority to supervise the procedures for convening, conducting the meeting of the General meeting of Shareholders and making decisions in the meeting.

The expenses for convening and conducting a General Meeting of Shareholders as shall be refunded by the Corporation. These expenses do not cover shareholders' spending when attending the General Meeting of Shareholders, including expenses for meals, accommodation and travel.

#### **Article 16. Rights and duties of the General Meeting of Shareholders**

1. The annual General Meeting of Shareholders shall discuss and adopt the following issues:
  - a. Annual business plan of the Company;
  - b. Annual financial statements;
  - c. Report on management of the Board of Directors and working results of the Board of Directors;
  - d. Dividend rate for each share of each class;
  - e. Other issues within its authority.
2. An annual or extraordinary General Meeting of Shareholders shall make decisions on the following issues:
  - a. Approval of annual financial statements, distribution of profits, appropriation and use of funds, dividend rates of the financial year;



- b. Rate of dividends paid annually for each class of shares in compliance with the Law on Enterprises and the rights attached to such class of shares. Such rate of dividends must not be higher than the rate proposed by the Board of Directors after consulting the shareholders at the General Meeting of Shareholders;
  - c. Number of members of the Board of Directors;
  - d. Selection of the auditing company;
  - e. Election, dismissal, removal and replacement of members of the Board of Directors;
  - f. The total amount of remuneration of members of the Board of Directors and the remuneration report of the Board of Directors;
  - g. Amendments of and additions to the Charter of SABECO;
  - h. Class of shares and number of new shares to be issued for each class of share;
  - i. Division, separation, consolidation, merger or conversion of SABECO;
  - j. Reorganization and dissolution (liquidation) of SABECO and the designation of the liquidator;
  - k. Examination and handling of violations committed by the Board of Directors, which have caused damages to SABECO and its shareholders;
  - l. Investment or sale of assets of SABECO with the value of 35% or higher of the value of the assets of SABECO recorded in the most recent audited financial statements;
  - m. SABECO's redemption of more than 10% of shares of any class which have been issued;
  - n. The General Director's concurrently acting as the Chairman of the Board of Directors in accordance with law;
  - o. The signing of contracts by SABECO with the persons prescribed in Clause 1 Article 162 of the Law on Enterprises with value being equal to or higher than 20% of the total value of SABECO as recorded in the most recent audited financial statements;
  - p. Approval of the internal regulations for management of SABECO at the request of the Board of Directors.
  - q. Other matters as stipulated in this Charter and other regulations of SABECO.
3. Shareholders must not vote for any resolution to adopt:
- a. The contracts prescribed in Point o Clause 2 Article 16 hereof if such shareholders or the persons relating to such shareholders are one party to the contract;





- b. Purchase of shares by such shareholder or a concerned person of such shareholder, except where such purchase is implemented on the basis of the ratio of ownership of all shareholders or such purchase is implemented via order matching or public offer on the Stock Exchange.
- 4. The General Meeting of Shareholders must discuss and vote on resolutions on issues already included in the agenda of the meeting.

**Article 17. Authorized representatives**

- 1. Those shareholders qualified to attend the General Meeting of Shareholders as prescribed by the law may personally attend or authorize their representatives to attend. In a case where more than one representative is appointed, then the number of shares and the number of votes authorized to each representative must be specified.
- 2. The authorization to a representative to attend the General Meeting of Shareholders must be made in writing on the standard form of SABECO and must be signed in accordance with the following provisions:
  - a. If an individual shareholder is the principal, the authorization letter must be signed by such shareholder and the person authorized to attend the meeting;
  - b. If an organization shareholder is the principal, the authorization letter must be signed by the authorized representative, the legal representative of the shareholder and the person authorized to attend the meeting;
  - c. In other cases, the authorization letter must be signed by the legal representative of the shareholder and of the person authorized to attend the meeting.

The person authorized to attend the General Meeting of Shareholders must submit the authorization letter before entering the meeting room.

- 3. Where a lawyer on behalf of the principal signs a written appointment of a representative, the appointment of such representative in this case shall be deemed to be effective only if such written appointment is presented together with the power of attorney authorizing the lawyer or with a valid copy of such power of attorney (if it was not registered with SABECO).
- 4. Except for the case stipulated in Clause 3 Article 17 hereof, the voting slip of the person authorized to attend the meeting within the scope of authorization shall remain effective in any one of the following cases:
  - a. The principal dies, or his/her capacity for civil acts is lost or is restricted;
  - b. The principal has rescinded the appointment of authorization; or
  - c. The principal has rescinded the authority of the person conducting the authorization.



This shall not apply in a case where SABECO receives a notice of one of the above cases prior to the time of opening of the General Meeting of Shareholders or prior to the time the meeting is reconvened.

**Article 18. Change of rights**

1. The change or cancellation of any special right attached to a class of preference shares shall take effect when such change or cancellation is approved by the shareholders holding at least 65% of ordinary shares who are in attendance and concurrently approved by the shareholders holding at least 75% of voting rights of the above class of preference shares. The organization of a meeting of the shareholders holding one class of preference shares to approve the above change of rights shall be valid if at least two (02) shareholders (or their authorized representatives) are present and hold at least one-third (1/3) 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 re-organized within a period of thirty (30) days after that and the persons holding shares of such class (not depending on the number of attendees and the number of shares) who are present directly or via authorized representatives shall be deemed to constitute the number of attendees as required. At the meeting of the persons holding preference shares mentioned above, the persons holding shares of such class who are present in person or via representatives may request a secret ballot. Each share of the same class shall have the equal voting rights at the meeting mentioned above.
2. The procedures for conducting such a separate meeting shall be conducted in the same way as stipulated in Articles 20 and 22 of this Charter.
3. Unless otherwise stipulated in the issuance terms of shares, special rights attached to various classes of shares with preference rights with respect to some or all matters relating to the distribution of profits or assets of SABECO shall not be changed when SABECO issues additional shares of the same class.

**Article 19. Convention of General Meeting of Shareholders, agenda and notices**

1. The Board of Directors shall convene the General Meeting of Shareholders, or the General Meeting of Shareholders shall be convened in the cases stipulated in Article 15.4(b) hereof.
2. The convenor of the General Meeting of Shareholders must perform the following tasks:
  - a. Preparing a list of shareholders of SABECO qualified to attend the meeting. The preparation of the list of shareholders qualified to attend the General Meeting of Shareholders must be announced at least 20 days before the registration deadline.
  - b. Providing information and settling claims in connection with the list of shareholders;

- c. Planning agenda and contents of the meeting;
  - d. Preparing documents for the meeting;
  - e. Drafting a resolution of the General Meeting of Shareholders subject to the estimated contents of the meeting; list and detailed information of candidates in case of election of members of Board of Directors;
  - f. Determining time and venue of the meeting;
  - g. Announcing and sending meeting invitation to each shareholder qualified to attend subject to the list of shareholders qualified to attend the meeting. The list of shareholders qualified to attend the meeting must be prepared no sooner than 05 days before the date of sending the meeting invitation.
  - h. Other tasks in connection with the meeting.
3. A meeting invitation must contain the following particulars: name, head office address, enterprise code of SABECO; time and venue, agenda of the meeting, documents, information related to the matters to be discussed and voted for at the meeting, draft resolution of the General Meeting of Shareholders subject to the estimated contents of the meeting, form of authorization letter for proxy and other requirements for attending shareholders. The meeting invitation must be sent at least ten (10) days before the date of the General Meeting of Shareholders (from the date of posting). The meeting invitation must be delivered to all shareholders of SABECO qualified to attend and published on the website of SABECO.
4. A shareholder or group of shareholders mentioned in Clause 3 Article 13 of this Charter is entitled to propose issues to be included into the agenda of the General Meeting of Shareholders. Such a proposal must be made in writing and sent to SABECO at least three (03) working days before the General Meeting of Shareholders begins. The proposal must contain the full names of the relevant shareholder(s), the number and class of shares held, and the contents of the proposals for inclusion into the meeting agenda.
5. The convenor of the General Meeting of Shareholders may reject a proposal relating to Clause 4 Article 19 in the following cases:
- a. The proposal is not sent within the prescribed time-limit or is incomplete, or is not relevant;
  - b. At the time of proposal, the shareholder or group of shareholders does not have at least 10% of the ordinary shares for a period of six (06) consecutive months or more in accordance with Clause 3 Article 13 of 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.



6. The Board of Directors must prepare a draft resolution in relation to the meeting agenda.
7. In a case where all shareholders representing 100% of the voting shares attend the General Meeting of Shareholders directly or via authorized representatives, any decision which is unanimously approved by the General Meeting of Shareholders shall be deemed to be valid even if the General Meeting of Shareholders is not convened in accordance with the sequence and procedures, or the items voted on were not included on the agenda.

**Article 20. Conditions for conducting meeting of the General Meeting of Shareholders**

1. The General Meeting of Shareholders shall be conducted when the number of attending shareholders represents at least 51% of the voting shares.
2. Where the first meeting cannot take place because the condition stipulated in Clause 1 this Article is not satisfied, the meeting may be convened for a second time within 30 days of the intended opening of the first meeting. The General Meeting of Shareholders which is convened for a second time shall be conducted where the number of attending shareholders represents at least 33% of the voting shares.
3. Where a meeting convened for a second time cannot take place because the required quorum is not satisfied within sixty (60) minutes from the stipulated time of opening the meeting, it may be convened for a third time within twenty (20) days from the date of intended opening of the second meeting; and in such case, the meeting 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 all matters proposed to be passed at the first General Meeting of Shareholders.
4. Only the General Meeting of Shareholders may make changes to the agenda accompanying the meeting invitation as stipulated in Clause 3 Article 19 hereof.

**Article 21. Procedures for conducting and voting at General Meeting of Shareholders**

1. On the date of the General Meeting of Shareholders, SABECO must carry out procedures to register its shareholders and must implement such registration until all shareholders who are qualified to attend the meeting and present have been registered.
2. Upon registration of shareholders, SABECO shall issue a voting card to each shareholder or authorized representative with voting rights which states registration number, full name of shareholder, full name of authorized representative and number of votes of such shareholder. When conducting voting at the meeting, the voting cards concurring with a resolution shall be collected first,

then the voting cards which dissent; finally, the total number of votes, either concurring or dissenting, will be counted to make a decision. The total numbers of concurring votes, dissenting votes, abstentions or invalid votes in respect of each matter shall be announced by the chairman of the meeting immediately after the voting on such matter. The General Meeting of Shareholders shall elect the persons who shall be responsible for checking the votes or supervising the checking of votes at the request of the chairman, provided that the number of such persons does not exceed the number stipulated by applicable law.

3. Any shareholder who comes to the General Meeting of Shareholders late shall be registered immediately and has the right to attend and vote at the meeting. The chairman is not obliged to delay the meeting 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 Directors shall act as chairman of all meetings convened by the Board of Directors. In the event that the Chairman is absent or is temporarily unable to work, the remaining members of the Board of Directors shall elect one of them to act as the chairman of the meeting. In a case where there is no person who is able to act as chairman, the member of the Board of Directors with the highest position shall arrange for the General Meeting of Shareholders to elect the chairman of the meeting amongst the persons attending the meeting, and the person with the highest number of votes shall act as the chairman of the meeting. In other cases, the person who signed the document convening a meeting of the General Meeting of Shareholders shall arrange for the General Meeting of Shareholders to elect a chairman of the meeting, and the person with the highest number of votes shall act as the chairman of the meeting.
5. The chairman has the right to decide the sequence, procedures and events arising outside the agenda of the General Meeting of Shareholders.
6. Even if the required quorum has been satisfied, the chairman of the General Meeting of Shareholders may adjourn the General Meeting of Shareholders to another time or change the venue of the meeting decided by him/her 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 are attendees who disrupt or are 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 may adjourn a meeting upon agreement or request of the General Meeting of Shareholders even if the required quorum has been satisfied. The maximum time for any adjournment of a meeting shall be three (03) days as from the date of the proposed opening of the meeting. The meeting which is reconvened shall only consider the matters 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 Article 21 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 a meeting may conduct activities required to direct the General Meeting of Shareholders in a valid and orderly manner or to enable the meeting to reflect the wishes of the majority of attendees.
9. The Board of Directors may require the shareholders or authorized representatives attending the General Meeting of Shareholders to be checked or subject to security measures which the Board of Directors considers appropriate. Where any shareholder or authorized representative refuses to comply with the inspection rules or the security measures mentioned above, the Board of Directors may, after careful consideration, may reject or expel such shareholder or representative from the General Meeting of Shareholders.
10. The Board of Directors may, after careful consideration, take the measures which it considers appropriate to:
  - a. Arrange seats at the venue of the General Meeting of Shareholders;
  - b. Ensure safety for the persons present at the venue of the meeting;
  - c. Facilitate the shareholders to attend (or continue to attend) the meeting.

The Board of Directors has full powers to change the above measures and take all measures if it considers necessary. The measures taken may include issuing entry permits or using of other forms of selection.
11. In a case where the General Meeting of Shareholders takes the above measures, then when determining the venue of the meeting, the Board of Directors may:
  - a. Notify that the meeting shall be conducted at the venue stated in the notice and the chairman of the meeting shall be present there (“Official Venue of the Meeting”);
  - b. Implement the arrangement and organization so that the shareholders or authorized representatives who are unable to attend the meeting in accordance with this article or the persons who wish to attend at a venue different from the Official Venue of the Meeting can attend the meeting at the same time;

A notice of holding the meeting shall not be required to state the detailed measures for holding it in accordance with this article.
12. In this Charter (unless the context requires otherwise), all shareholders shall be deemed to attend the meeting at the Official Venue of the Meeting.

SABECO shall hold the General Meeting of Shareholders at least once per year. The annual General Meeting of Shareholders may not be held by way of collection of written opinions.

**Article 22. Passing of resolutions of the General Meeting of Shareholders**

1. The General Meeting of Shareholders shall pass resolutions which fall within its power by way of voting in the meeting or collecting written opinions of shareholders. However, the annual General Meeting of Shareholders may not be held by way of collection of written opinions.
2. A resolution on the following matters shall be passed if it is approved by a number of shareholders representing at least 65% of the total voting shares of all shareholders (attending the meeting or giving written opinions):
  - a. Classes of shares and total number of shares of each class;
  - b. Change of lines of business and business sectors;
  - c. Change of the organizational and managerial structure of SABECO;
  - d. Investments or sale of assets equal to or more than 35% of the total value of assets recorded in the most recent financial statements of SABECO;
  - e. Re-organization or dissolution of SABECO;
  - f. Change of operation term of SABECO.
3. Other resolutions shall be passed if they are approved by a number of shareholders representing at least 51% of the total voting shares of all shareholders (attending the meeting or giving written opinions), except in the cases stipulated in Clauses 4 and 8 Article 23 hereof.
4. The voting on election of the members of the Board of Directors shall be implemented by accumulatively calculating the votes, thereby each shareholder shall have a total number of votes corresponding to the total number of shares it owns multiplied by the number of elected members of the Board of Directors, and the shareholders can accumulate their votes for one or a number of candidates. Persons who are elected as members of the Board of Directors shall be determined on the basis of a descending vote count, starting with the candidate with the highest number of votes until the number of members required by this Charter. If there are 02 or more candidates who obtain the same number of votes for being the last member of the Board of Directors, such member shall be elected amongst the number of candidates having an equal number of votes or selected in accordance with the criteria in the regulations on election approved by the General Meeting of Shareholders.



**Article 23. Authority and procedures for collection of written opinions in order to pass resolutions of the General Meeting of Shareholders**

The authority and procedures for collection of 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 Directors shall have the right to collect written opinions in order to pass a resolution of the General Meeting of Shareholders at any time if it is considered necessary in the interests of SABECO, except in case of the annual General Meeting of Shareholders as required by law. Opinions in written form of shareholders shall be considered valid as if they were collected at the physically held General Meeting of Shareholders.
2. The Board of Directors 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 explanatory documents must be sent by a method which is guaranteed to reach the registered address of each shareholder. The Board of Directors must ensure to send and announce the document to the shareholders within a reasonable period for their review and voting and must send at least ten (10) days prior to the expiry date of receipt of written opinion forms.

The preparation of the list of shareholders to whom written opinion forms must be sent shall be conducted in line with Clauses 1 and 2 Article 137 of the Law on Enterprises.

3. The written opinion form must contain the following basic details:
  - a. Name, head office address, number, date of issuance of the Enterprise Registration Certificate; place of business registration of SABECO;
  - b. Purpose of collecting written opinions;
  - c. Full name, permanent address, nationality, number of citizenship card / identity card, passport or other legal personal identification paper (in case of an individual shareholder); number of establishment decision or number of business registration of shareholder or authorized representative (in case of an organization shareholder); the 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 concurring, dissenting, or abstention with respect to each issue on which it is necessary to obtain opinions;
  - f. Time-limit within which the completed written opinion form must be returned to SABECO;

- g. Full name and signature of the Chairman of the Board of Directors and of the legal representative of SABECO.
- 4. Any completed written opinion form must bear the signature of the shareholder (in case of an individual), and of the authorized representative or of the legal representative of the shareholder (in case of an organization).

A written opinion form must be returned to SABECO in a sealed envelope and no person shall be permitted to open the envelope prior to the vote-counting. Any completed written form received by SABECO after the expiry of the time-limit stated in the written opinion form or which has been opened shall be invalid.

- 5. The Board of Directors shall conduct the vote counting and shall prepare minutes of the vote-counting in the presence of a shareholder not holding a management position in SABECO. The vote-counting minutes shall contain the following basic details:
  - a. Name, head office address, number and date of issuance of the Enterprise Registration Certificate; and place of business registration;
  - b. Purpose of collection of written opinions and issues on which it is necessary to obtain opinions in order to pass a resolution;
  - c. Number of shareholders with total numbers of votes having participated in the vote, classifying the votes into valid and invalid and including an appendix being a list of the shareholders having participated in the vote;
  - d. Total number of votes concurring, dissenting and abstentions on each issue voted on;
  - e. Resolutions which have been passed;
  - f. Full name and signature of the Chairman of the Board of Directors, of the legal representative of SABECO and of the person who supervised the vote-counting.

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

- 6. The vote-counting minutes must be published on the website of SABECO within twenty four (24) hours and must be sent to shareholders within fifteen (15) days from the date of completion of the vote counting.
- 7. Written opinion forms which were returned, the vote-counting minutes, the full text of the resolution which was passed and any related documents sent with all of the written opinion forms must be archived at the head office of SABECO.
- 8. A resolution which is passed by way of collection of written opinions of shareholders must be approved by the shareholders representing at least 51% of



the total number of voting shares and shall have the same validity as a resolution passed at the General Meeting of Shareholders.

#### **Article 24. Minutes of the General Meeting of Shareholders**

The person presiding over the General Meeting of Shareholders is responsible for organizing the keeping of minutes of the General Meeting of Shareholders. The minutes of the General Meeting of Shareholders must be published on the website of SABECO within twenty four (24) hours and must be sent to all shareholders within fifteen (15) days from the end of the General Meeting of Shareholders. The minutes of the General Meeting of Shareholders shall be considered authentic evidence of work conducted at the General Meeting of Shareholders unless an objection to the contents of the minutes is provided in accordance with the stipulated procedures within a time-limit of ten (10) days from the date of sending the minutes. The minutes must be in Vietnamese, must be signed for certification by the chairman of the meeting and the secretary, and must be made in accordance with the Law on Enterprises and this Charter. All records, minutes, books of signatures of attending shareholders and documents authorizing to attend the meeting must be kept at the head office of SABECO.

#### **Article 25. Request for cancellation of resolutions of the General Meeting of Shareholders**

Within 90 days from the date of receipt of the minutes of the General Meeting of Shareholders or the minutes of results of counting written opinion forms of the General Meeting of Shareholders, the shareholder or group of shareholders as stipulated in Clause 3 Article 13 hereof shall have the right to request a court or an arbitrator to consider and cancel a resolution or part of the contents of a resolution of the General Meeting of Shareholders in the following cases:

1. The order and procedures for convening the General Meeting of Shareholders do not comply with the Law on Enterprises and this Charter, except in the case stipulated in Clause 2 Article 148 of the Law on Enterprises;
2. The content of the resolution itself breaches the law or this Charter.

### **CHAPTER VII**

#### **BOARD OF DIRECTORS**

#### **Article 26. Composition and term of members of the Board of Directors**

1. The criteria and conditions against members of the Board of Directors shall comply with Clause 1 Article 151 of the 2014 Law on Enterprises.

A member of the Board of Directors of SABECO may not concurrently be the member of Board of Directors of more than 05 other public companies.

At least one-third of the total number of members of the Board of Directors of SABECO must be independent members. The applicable criteria and conditions shall comply with Clause 2, 3 Article 151 of the 2014 Law on Enterprises.

At least one-third of the total number of members of the Board of Directors of SABECO must be non-executive members.

2. The number of members of the Board of Directors shall be seven (07). The term of office of the Board of Directors shall not exceed five (05) years. The term of office of each member of the Board of Directors shall not exceed five (05) years; members of the Board of Directors may be re-elected for an unlimited number of terms, except in case of an independent member. The minimum number of non-executive members of the Board of Directors shall be determined by the method of rounding downwards.
3. The shareholders holding voting shares for a consecutive period of at least six (06) months have the right to accumulate the number of voting rights of each shareholder to nominate candidates to the Board of Directors. A shareholder or a group of shareholders holding 10% of the total number of voting shares shall be entitled to nominate one (01) candidate; from more than 10% to less than 30% to nominate up to two (02) candidates; from 30% to less than 40% to nominate up to three (03) candidates; from 40% to less than 50% to nominate up to four (04) candidates; from 50% to less than 60% to nominate up to five (05) candidates; from 60% to less than 70% to nominate up to six (06) candidates; from 70% to less than 80% to nominate up to seven (07) candidates; and from 80% to less than 90% to nominate up to eight (08) candidates.
4. Where the number of candidates to the Board of Directors by way of standing for election or nomination is still insufficient, the incumbent Board of Directors may nominate additional candidates or hold a nomination in accordance with the mechanism stipulated by SABECO in the internal rules on corporate governance. The mechanism for nomination or the method of nominating candidates to the Board of Directors by the incumbent Board of Directors must be clearly announced and must be approved by the General Meeting of Shareholders before commencing the nomination.
5. The status as a member of the Board of Directors shall be terminated in the following cases:
  - a. Such member is ineligible to be a member of the Board of Directors in accordance with the Law on Enterprises or is prohibited from being a member of a Board of Directors by law;
  - b. Such member sends a written application for resignation to the head office of SABECO;



- c. Such member suffers a mental disorder and the other members of the Board of Directors have professional evidence that such person has lost capacity for civil acts;
  - d. Such member did not attend any meeting of the Board of Directors for a consecutive period of six (06) months without consent of the Board of Directors, and the Board of Directors decides that the position of such member is vacated;
  - e. Such member is dismissed by a decision of the General Meeting of Shareholders.
6. The appointment of members of the Board of Directors must be disclosed in accordance with the law on securities and securities market.
7. Members of the Board of Directors are not required to be the persons holding shares of SABECO.

**Article 27. Powers and duties of the Board of Directors**

- 1. The Board of Directors is the body managing SABECO and shall have full authority to make decisions in the name of SABECO, on the performance of rights and duties of SABECO which do not fall within the authority of the General Meeting of Shareholders.
- 2. The Board of Directors shall supervise the General Director and the Managers.
- 3. The Board of Directors has the following powers and duties:
  - a. Making decisions on annual plans for development of business and production, and annual budgets;
  - b. Making decisions on production – business strategy, plan and five (05)-year development plan of SABECO; making decision on the annual list of investment projects, except for the projects falling within the authority of the General Meeting of Shareholders; Determining operational objectives on the basis of strategic objectives approved by the General Meeting of Shareholders;
  - c. Making decisions on the organizational structure of SABECO;
  - d. Deciding and promulgating internal regulations for management of SABECO, except for the internal regulations for management of SABECO which falls within the authority of the General Meeting of Shareholders;
  - e. Appointing and removing managers of SABECO, and to make decisions on their salary:
    - At the request of the Chairman of Board of Directors, the Board of Directors shall decide the appointment, removal, secondment, commendation, discipline or signing of contract, termination of contract, salary level of: (1) General Director of SABECO, Deputy General Director, Chief Accountant, positions within the Board of Directors of

- SABECO; (2) Chairmen of Members' Councils (or Company Chairmen), General Directors (Directors) of wholly owned subsidiaries of SABECO; (3) appointment of authorized representative holding the ownership of shares or capital contributions in other enterprises;
- Approving the allocation of jobs to the Deputy General Directors at the request of the General Director;
  - Deciding the remuneration and other benefits of the persons representing the shares of SABECO at the request of the Chairman of the Board of Directors;
  - Giving in-principle approvals based on which the General Director shall appoint, remove, second, commend, discipline or sign contract, terminate contract, decide salary for Division Heads / Deputy Heads of SABECO, Directors, Deputy Directors, Chief Accountants of branches of SABECO, at the request of the General Director;
  - Giving in-principle approvals on the appointment, removal, secondment, commendation, discipline or signing of contract, termination of contract, salary (remuneration) of Deputy Directors (Deputy General Directors), Chief Accountants; appointment of persons representing the capital contributions of SABECO in wholly owned enterprises at the request of chairmen of Members' Councils or company chairmen of such enterprises. The said removal may not be contrary to the contractual rights of the removed persons (if any);
- f. Resolving claims of SABECO against managers and making decisions to select representatives of SABECO to resolve issues relating to legal proceedings against such managers;
- g. Proposing classes of shares which may be issued and the total number of shares of each class to be issued;
- h. Proposing the issuance of bonds, convertible bonds and securities rights which entitle owners to purchase shares at a pre-determined price;
- i. Determining the price of bonds, shares and convertible securities offered for sale if so authorized by the General Meeting of Shareholders;
- j. Reporting the General Meeting of Shareholders the appointment of the General Director by the Board of Directors;
- k. Proposing annual dividend rates and determining provisional dividend rates; organizing the payment of dividends;
- l. Proposing the amendments and additions to this Charter, class of shares and number of shares to be offered for sale; merger, restructure, reorganization, change of ownership, dissolution or request for bankruptcy of SABECO;



- m. Approving proposals in connection with the production, business, investment plans and organization structure of the persons heading capital management division or representatives in the companies to which SABECO has contributed capital, except for those falling within the authority of the General Meeting of Shareholders;
  - n. Approving contracts of sale, purchase, borrowing, lending or any other contracts worth 35% or more of the total value of assets recorded in the Corporation's latest financial statements, except for contracts and transactions defined in Point d Clause 2 Article 135, Clauses 1 and 3 Article 162 of the Law on Enterprises;
  - o. Approving the agenda, materials of the General Meeting of Shareholders; convening the General Meeting of Shareholders or to collect written opinions for the adoption of resolutions of the General Meeting of Shareholders;
  - p. Submitting annual financial statements to the General Meeting of Shareholders;
  - q. Proposing the dividend rates to be paid, timing and procedures for payment of dividend or the settlement of losses incurred during the course of business operation.
  - r. Board of Directors shall set up the Audit Committee. Organization structure, rights and obligations of the Audit Committee is prescribed under this Charter, the internal corporate governance regulations of SABECO and other regulations.
4. The following matters must be approved by the Board of Directors:
- a. Establishment of branches or representative offices of SABECO;
  - b. Establishment of subsidiaries of SABECO, acceptance of enterprises willing to become subsidiaries or affiliates of SABECO;
  - c. Within the scope of Clause 2 Article 149 of the Law on Enterprises and except for the case stipulated in Clause 3 Article 162 of the Law on Enterprises in which the approval of the General Meeting of Shareholders is required, the Board of Directors shall from time to time make decisions on the performance, amendment or cancellation of large contracts of SABECO (including contracts for purchase, sale, merger and takeover of companies and joint ventures);
  - d. Appointment and removal of any person authorized by SABECO to act as a commercial representative or lawyer of SABECO;
  - e. Borrowing and implementation of mortgages, warranties, guarantees and payment of compensation by SABECO;
  - f. Investments not included in the business plans and investments exceeding 10% of the annual business budgets as approved;



- g. Purchase or sale of shares or capital contributions in other companies established in Vietnam or overseas;
  - h. Valuation of assets contributed to SABECO which are not in cash relating to the issuance of shares or bonds of SABECO, comprising gold, land use rights, intellectual property rights, technology and technological know-how;
  - i. Purchase or recovery by SABECO of no more than 10% of shares of each class;
  - j. Decision on purchase price or on recovery of shares of the Corporation;
  - k. Other business matters or transactions that must be approved by the Board of Directors within its scope of power and authority subject to its decision;
  - l. Signing of contracts between SABECO or its branches and the persons listed in Clause 1 Article 162 of the Law on Enterprises<sup>1</sup> with a value smaller than 20% of the total assets of SABECO and its branches as recorded in the most recent audited financial statements.
5. Unless otherwise stipulated by law and the Charter, the Board of Directors may authorize lower level staff and managers to deal with work on behalf of SABECO.
6. Members of the Board of Directors (excluding alternate authorized representatives) shall be entitled to remuneration for their work in their capacity as members of the Board of Directors. The total remuneration for the Board of Directors shall be determined by the General Meeting of Shareholders and shall be distributed to members of the Board of Directors as agreed within the Board of Directors or shall be distributed [amongst all members] equally if the Board of Directors fails to reach an agreement.
7. The total amount of money paid to each member of the Board of Directors comprising remuneration, expenses, commission, right to purchase shares and other benefits conferred by SABECO, its subsidiaries and affiliates and other companies in which a member of the Board of Directors is the capital contribution representative must be disclosed in details in the annual report of SABECO.
8. Any member of the Board of Directors who holds a management position or who works in a subcommittee, departments of the Board of Directors or who performs other work which is, in the opinion of the Board of Directors, beyond the scope of the normal duties of a member of the Board of Directors may be paid additional remuneration in the form of a lump sum wage on each occasion, [or] salary, commission, profit percentage or other form as decided by the Board of Directors.

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<sup>1</sup> Shareholders and authorized representatives of shareholders that own more than 10% of ordinary shares of the company and their related persons; members of the Board of Directors, the Director/General Director and their concerned persons; The enterprises of which capital contributions or shares are owned by members of the Board of Directors, Director/General Director and other managers of the company; enterprises of which more than 10% of charter capital are jointly or severally owned by concerned persons of members of the Board of Directors, the Director/General Director



9. Members of the Board of Directors shall be entitled to reimbursement of all travel and accommodation expenses and other reasonable expenses paid by them when performing their responsibilities as a member of the Board of Directors, including expenses arising out of attending meetings of the General Meeting of Shareholders, of the Board of Directors or of subcommittees, departments of the Board of Directors.
10. The internal regulations on management of SABECO shall be drafted by the Board of Directors, then submitted to the General Meeting of Shareholders for approval. Such regulations may not be inconsistent with the relevant laws and the Charter of SABECO.
11. Other rights and duties in accordance with the law and regulations of the General Meeting of Shareholders.

**Article 28. Chairman of the Board of Directors**

1. The Board of Directors shall have to elect among its members a chairman. The Chairman of the Board of Directors may not concurrently hold the position of the General Director of SABECO.
2. The Chairman of the Board of Directors shall be responsible for all matters of the Board of Directors before the General Meeting of Shareholders and have the following powers and duties:
  - To organize researches on development strategies, long-term plans and large-scale investment projects; plan for renovation of organization and key personnel of SABECO to submit to the Board of Directors;
  - To formulate quarterly and annual operation programs/ plans of the Board of Directors;
  - To assign the members of the Board of Directors to perform the duties and powers of the Board of Directors;
  - To direct the implementation of operation programs/ plans of the Board of Directors;
  - To prepare the agenda, contents, and documents of meetings; convene and chair meetings of the Board of Directors;
  - To organize the ratification of resolutions of the Board of Directors upon getting the meeting minutes or written opinions of the Board of Directors;
  - To act on behalf of the Board of Directors or authorize other members of the Board of Directors to sign resolutions, decisions, notifications, proposals, requests, recommendations or other documents within the authority of the Board of Directors;
  - To organize the implementation of the resolutions and decisions of the Board of Directors. To organize the supervision and evaluation of results of

- implementation of strategic objectives, results of operations of SABECO, the process of implementing the resolutions, decisions of the Board of Directors, management results of the General Director of SABECO;
- To decide and take responsibility for the tasks assigned and delegated by the Board of Directors;
  - To propose to the Board of Directors to decide the appointment, dismissal, transfer, commendation, discipline or conclusion/ termination of contracts, wage level for: (1) SABECO's General Director, Deputy General Director, Chief Accountant, other positions of the Board of Directors of SABECO; (2) Chairman of the Members' Council of the Company (or Chairman), General Director (Director) of SABECO's 100%-owned subsidiaries; (3) To appoint authorized representatives to exercise the ownership of shares or capital contribution in other enterprises. In case of necessity, the Chairman of the Board of Directors may ask the General Director to propose the appointment, dismissal, transfer, commendation or discipline, or conclusion/ termination of contracts, wage level for the heads of sub-divisions, Branch Director of SABECO;
  - To appoint individuals holding titles that fall under the Board of Directors' competence to go abroad for work, study and settle personal affairs; To meet foreign individuals and groups coming to Vietnam to work with SABECO;
  - To sign documents, economic and civil contracts, agreements on behalf of SABECO and other transactions of SABECO on issues under the authority of the Board of Directors of SABECO;
  - To ensure that the Board of Directors sends annual financial statements, reports on operations of SABECO, auditor's reports and inspection reports to the Shareholders;
  - To organize the public announcement, disclosure of SABECO's information in accordance with the law; To be responsible for the completeness, timeliness, accuracy, truthfulness and systematicness of the information as disclosed;
  - To give an authorization and be responsible for his/ her own authorization.
3. The Chairman of the Board of Directors must convene and preside over the General Meeting of Shareholders and meetings of the Board of Directors, and at the same time have other rights and responsibilities prescribed in this Charter and the Law on Enterprises.
4. The Chairman of the Board of Directors must send the annual financial statements, the reports on operations of SABECO, the auditor's reports and the inspection reports of the Board of Directors to Shareholders at the General Meeting of Shareholders.



5. When the Chairman of the Board of Directors resigns or is dismissed for any reasons, the Board of Directors must elect a substitute within ten (10) days.

If the Chairman of the Board of Directors is absent, he/ she shall authorize in writing another member of the Board of Directors to exercise the powers and duties of the Chairman of the Board of Directors. In cases where no person is authorized or the Chairman cannot work, the remaining members of the Board of Directors shall elect one of them to temporarily perform the powers and duties of the Chairman of the Board of Directors with majority votes until the Chairman is present or capable of working.

#### **Article 29. Meetings of the Board of Directors**

1. The Chairman of the Board of Directors shall be elected and other decisions shall be made during the first meeting of the new Board of Directors within seven (07) working days from the closure of the voting. This meeting shall be convened and chaired by the member that receives the most votes. If there is more than one (01) member who has the highest votes, they shall be voted for by members under the majority rule to convene the meeting of the Board of Directors.

2. Regular meetings

The Chairman of the Board of Directors must convene regular meetings of the Board of Directors, work out the agendas, time and venues of the meetings at least five (05) days before the expected opening dates of such meetings. The Chairman may convene meetings at any time he/she deems necessary, but at least once a quarter. During each meeting, the Chairman of the Board of Directors shall collect opinions of the members to pass resolutions of the Board of Directors.

3. Extraordinary meetings

The Chairman shall convene an extraordinary meeting of the Board of Directors when deemed necessary for the benefit of SABECO. In addition, the Chairman must convene without any unreasonable delay a meeting of the Board of Directors when one of the followings makes a written request therefor, stating the purpose of the meeting as well as issues to be discussed:

- a. The General Director or at least five (05) Managers;
  - b. At least two (02) members of the Board of Directors;
4. The Chairman of the Board of Directors shall convene a meeting of the Board of Directors within 07 working days upon receipt of a written request stated in Clause 3 this Article. If the Chairman fails to convene the meeting on request, he/ she shall take responsibility for any damage to SABECO; the person(s) who makes the request in Clause 3 Article 29 may convene a meeting of the Board of Directors.
  5. At the requests of independent auditors, the Chairman of the Board of Directors must convene meetings of the Board of Directors to discuss the auditor's report and the situation of SABECO.

6. Meeting venues

Meetings of the Board of Directors shall be held at the registered address of SABECO or other venues in Vietnam or foreign countries, subject to the decision of the Chairman of the Board of Directors and the unanimous agreement of the Board of Directors.

7. Meeting notice and agenda

All meetings must be conducted on the basis of the notices sent to member of the Board of Directors at least five (05) days before the meetings are organized, provided that members of the Board of Directors may refuse in writing the notices of invitation to the meeting and such refusal may be retroactively effective. The notices on the Board's meetings must be made in writing in Vietnamese language and contain the meeting agenda, time and venue, which must be sent together with necessary documents on issues to be discussed and voted on at the Board's meetings as well as voting cards to the Board of Directors members who cannot attend the meetings.

The meeting invitation shall be sent by post, fax, email, or other means, provided that they reach the mailing address of each member of the Board of Directors, which is registered with SABECO.

8. Quorum

A meeting can proceed and adopt resolutions only when it is attended by at least three-fourths (3/4) of the number of the members of the Board of Directors in person or via proxies (authorized representatives).

If the number of attending members is not sufficient, the second meeting shall be convened within seven (07) days from the initial meeting date. In this case, the meeting shall be held if it is attended by more than half (1/2) of the number of the members of Board of Directors.

9. Voting

- a. Except as prescribed in Point b Clause 9 Article 29, every member of the Board of Directors or authorized person present at the Board's meeting in his/her personal capacity shall have one vote.
- b. A member of the Board of Directors must not vote on the contracts, transactions or proposals in which such member or any of his/her concerned persons has interests and such interests may contradict the interests of SABECO. A Board member shall not be counted into the quorum of a meeting regarding any resolution which such member is not entitled to vote on.
- c. According to the provisions in Point d Clause 9 Article 29 of this Charter, in a meeting of the Board of Directors, if any issues arise, relating to the extent of interests of the members of the Board of Directors or to the voting right of any member and such issues have not been settled with the voluntary abandonment



of the voting right of such members of the Board, they shall be transferred to the meeting chairperson and his/her decisions related to all other members of the Board shall be valid as the final ones, except for cases where the nature or scope of the interests of the concerned members of the Board have not yet been announced satisfactorily.

- d. Any member of the Board who enjoys benefits from a contract prescribed in Points a and b Clause 4 Article 36 of this Charter shall be considered as having considerable interests in such contract.

10. Interest declaration

A member of the Board of Directors who somehow, directly or indirectly, benefits from a contract or transaction already signed or planned to be signed with SABECO must declare the nature and contents of such benefits at the meeting when the Board of Directors considers for the first time the conclusion of this contract or transaction if by that time such member has already known that he/she has or shall have interests in the relevant transaction or contract; or the member may declare such thing at the next meeting of the Board of Directors held after such member has known that he/she has or shall have interests in the relevant transaction or contract.

11. Voting by majority

The Board of Directors shall adopt resolutions and decisions by way of complying with the approval of the majority of the present members of the Board of Directors (over 50%). If the number of votes in favor and the number of votes against are equal, the vote of the Chairman of the Board of Directors shall be the decisive one.

12. Meeting via telephone or in other forms

A Board of Directors meeting may be organized in form of discussions among the Members of the Board of Directors, of whom all or some are in different places, provided that each member participating in the meeting can:

- a. Hear every other participating member of the Board of Directors speaking at the meeting;
- b. If such person wishes, he/she can speak to all other participating members simultaneously.

The discussions among members can be effected directly through telephones or other communications means (whether they have been used at the time of adopting the Charter or at a later time) or through the combination of all those modes. According to this Charter, each member of the Board of Directors participating in such a meeting shall be considered as being “present” at such meeting. A meeting organized according to this provision shall be considered as having occurred at the place where the largest group of Board of Directors members stays or if there is no



such group, the place where the meeting chairperson is present shall be considered the venue where the meeting is organized.

The resolutions adopted at a via-telephone meeting properly organized and conducted shall take effect immediately after the end of the meeting, but must be confirmed with the signature in the minutes of every Board of Directors member participating in the meeting.

13. Written resolutions

The written resolutions must be passed subject to the approval of the majority of the Board of Directors members having the voting right. Such resolutions are as effective and valid as the resolutions adopted by the members of the Board of Directors at meetings regularly convened and organized. A resolution may also be adopted by way of using its copies, each of which is signed by one member or more.

14. Minutes of meetings of the Board of Directors

The Chairman of the Board of Directors shall have the responsibility to deliver the minutes of meetings of the Board of Directors to all members and these minutes must be considered as true evidences of the activities carried out at such meetings except when there appear objections to the contents of the minutes within ten days as from the time they are sent out. The minutes must be made in Vietnamese language and signed by all the members of the Board of Directors having participated in the meetings or the minutes may be made into multiple copies, each of which is signed by at least one (01) member present at the meeting.

15. Sub-divisions of the Board of Directors

The Board of Directors may authorize its actions and decisions to its attached divisions each comprising one or several members of the Board and one or many persons other than the members of the Board of Directors if it deems appropriate. In the process of exercising the authorized powers, every sub-division must abide by the regulations set by the Board of Directors from time to time. These regulations may regulate or permit the admission of persons other than members of the Board of Directors into the above-said sub-division and permit such persons to vote in the capacity as members of such sub-division, but (a) the number of additionally admitted members must be smaller than half of the total number of members of such sub-division, and (b) the resolutions of such sub-division shall be valid if the majority of the members present at the meetings to adopt such resolutions are members of the Board of Directors.

16. Legality of actions

Every action taken under decision of the Board of Directors or any of its sub-divisions or by any person in the capacity as member of such sub-division shall be



considered legally valid even though the process of electing or appointing members of the sub-divisions or of the Board of Directors may witness mistakes.

**CHAPTER VIII**  
**GENERAL DIRECTOR, OTHER MANAGERS**  
**AND PERSON IN CHARGE OF MANAGEMENT OF SABECO**

**Article 30. Organization of the management structure**

SABECO shall have to promulgate a managerial system whereby the management shall be accountable to and placed under the leadership of the Board of Directors. The managerial system shall comprise one General Director, Deputy General Directors, Chief Accountant and other Managers, who are appointed or approved by the Board of Directors. The General Director and Deputy General Directors may be concurrently members of the Board of Directors and shall be appointed or dismissed by the Board of Directors under a resolution properly adopted.

**Article 31. Managers**

1. At the request of the General Director and with the approval of the Board of Directors, SABECO shall be staffed with a certain number of necessary and appropriate Managers of various kinds for effecting the structure and practices of managing the Corporation, proposed by the Board of Directors from time to time. The Managers must be necessarily diligent in order that the objectives set for the operation and organization of SABECO may be obtained.
2. The levels of wage, remuneration, interests and other terms in the labor contract with the General Director shall be decided by the Board of Directors and in the labor contracts for other Managers shall be decided by the Board of Directors after consulting the General Director or the Chairman.

**Article 32. Appointment, removal from office, duties and powers of the General Director**

1. The Board of Directors shall appoint one of its member or another person to be the General Director and sign a contract prescribing the wage level, remuneration, interests and other related terms. The information about wage level, allowance and interests of the General Director must be reported to the annual General Meeting of Shareholders and stated in the annual report of SABECO.
2. The term of office of the General Director shall be five (05) years and may be re-appointed. The appointment may be no longer effective, based on the provisions of the labor contract. The General Director must not be a person banned by the law from holding this position.
3. The General Director shall have the following powers and duties:

- a. To execute the resolutions of the Board of Directors and the General Meeting of Shareholders, business plans and investment plans of SABECO, which have been adopted by the Board of Directors and the General Meeting of Shareholders;
- b. To decide all matters related to daily business activities not requiring the resolutions of the Board of Directors;
- c. To propose organizational structure, internal rules and regulations of SABECO;
- d. To propose the quantity and titles of Managers to be hired by SABECO so that the Board of Directors may appoint or remove them from office when necessary for the implementation of the best managerial practices as well as the structures proposed by the Board of Directors and to advise the Board of Directors on deciding the levels of wage, remuneration, interests and other terms of the labor contracts of the Managers;
- e. To propose, submit to the Board of Directors for approval so that the General Director may make decisions on appointment, dismissal, transfer, reward, discipline or signing/ termination of contract, levels of wage for the heads, vice heads of SABECO; Director, Deputy Directors, Chief Accountant of SABECO's branches.
- f. To appoint, dismiss managerial positions of SABECO, except for those under the authority of the Board of Directors;
- g. To recruit, sign labor contracts, decide on wages and allowances (if any) for employees and managerial positions falling under the appointment competence of the General Director;
- h. To consult the Board of Directors in order to decide on the number of employees, wage and remuneration levels, interests, the appointment, dismissal and other terms related to their labor contracts;
- i. By the end of November each year, the General Director shall have to submit to the Board of Directors for approval the detailed business plan for the next financial year on the basis of meeting the requirements of the corresponding budget and five (05)-year financial plans;
- j. To propose plans for dividend payment and settlement of business losses;
- k. To propose measures to enhance activities and management of the Corporation;
- l. To prepare SABECO's long-term, annual, quarterly, and monthly estimates (hereinafter referred to as estimates) for purposes of executing SABECO's long-term, annual, quarterly and annual management subject to the business plans. The annual estimates (including the estimated balance sheet, income statement and statement of cash flows) for each fiscal year must be submitted to the Board of Directors for approval and include the information specified in the regulations of SABECO;



- m. To carry out all other activities under the provisions of this Charter and the regulations of SABECO, resolutions of the Board of Directors, the labor contract of the General Director and the law.
- 4. The General Director shall be responsible before the Board of Directors and the General Meeting of Shareholders for the performance of his/her assigned tasks and the exercise of his/her delegated powers and have to report thereon to these bodies when so requested.

The Board of Directors may dismiss the General Director with at least two thirds (2/3) of the Board's members voting therefor (excluding the General Director's voting in this case) and appoint a new General Director to replace him/her.

**Article 33. Person in charge of management, Secretary of the Corporation**

- 1. The Board of Directors shall appoint at least 01 person acting as Person in charge of management of the Corporation, who may concurrently be Secretary of the Corporation in accordance with Clause 5 Article 152 of the Law on Enterprises.
- 2. Person in charge of management of the Corporation must be a person who is knowledgeable about the law and cannot concurrently work for an independent auditing company who is auditing the Corporation's financial statements.
- 3. Person in charge of management of the Corporation shall have the following powers and duties:
  - a) To consult the Board of Directors in organizing the General Meeting of Shareholders in accordance with laws and settling the issues arising between the Corporation and Shareholders;
  - b) To organize meetings of the Board of Directors, the General Meeting of Shareholders subject to the request of the Board of Directors;
  - c) To advise on formalities of the meetings;
  - d) To attend the meetings;
  - đ) To advise on the procedures for preparation of resolution of the Board of Directors in accordance with the law;
  - e) To provide financial information, copies of minutes of meetings of the Board of Directors and others to the members of the Board of Directors;
  - g) To supervise and report to the Board of Directors the information declaration of the Corporation;
  - h) To keep the information confidential in accordance with the law and the Charter of SABECO;
  - i) To perform other powers and duties in accordance with the law and the Charter of SABECO.

## CHAPTER IX

### AUDIT COMMITTEE

#### **Article 34. Establishment and operation of Audit-committee**

1. Qualifications of the members of the Audit Committee.
  - The majority of the members of the Audit Committee shall be independent or non-executive members of the Board of Directors.
  - Based on decision of the Board of Directors, at least one member of the Audit Committee shall be professional in accounting, finance or audit (equipped with degrees, qualifications or relevant experience) and shall not work for either accounting or finance department of SABECO.
2. Structure and composition of the Audit Committee
  - The Audit Committee shall have at least three (03) members, no more than one of which shall be executive member of the Board of Directors. Other members of the Audit Committee shall be non-executive member.
  - Head of the Audit Committee must be an independent member of the Board of Directors and will be appointed by the Board of Directors.
  - Members of the Audit Committee can be assigned to one or some specific jobs and shall be held responsible for these jobs. The Head of Audit Committee shall, based on each member's competence, experience and knowledge and the action plan of the Audit Committee, assign jobs to each member.
  - Head of the Audit Committee shall be responsible for making annual, quarter plan; organizing and supervising execution of plans.
3. Rights and obligations of the Audit Committee: Supervising and controlling fields and works related to:
  - Financial statements;
  - Internal audit activities;
  - Services provided by independent auditing;
  - Internal control, risk management;
  - Compliance with professional ethics and the law.
4. Meetings of the Audit Committee
  - Audit Committee shall arrange quarterly meetings or discussion within one to ten days prior to quarterly meetings of the Board of Directors to discuss and agree on contents to be reported to the Board of Directors. A meeting of the Audit Committee can only take place when at least 2/3 of its members are present.
  - Subject to the assigned tasks, members of the Audit Committee can request for private meeting with the executive management. In this case, such members must



inform Head of the Audit Committee about the meeting result for consolidation and monitoring.

- Executive members of the Board of Directors in the Audit Committee (if any) will not be allowed to provide opinions or vote on matters relating to the areas such executive members are in charge.
- The Audit Committee shall work on the basis of majority rule. In case no majority is attained, the opinion of the Head of the Audit Committee shall prevail.
- Head of the Audit Committee may convene meetings and discuss separately with each member of the Audit Committee to discuss different topics.
- Meetings and discussions can be arrange via direct meeting or otherwise depending on the meeting contents.
- The Audit Committee may invite relevant managers and independent audit firm to attend meetings, if necessary.
- Person in charge of management of SABECO shall support meetings of the Audit Committee:
  - Arranging necessary preparation for meetings;
  - Writing minutes of the meeting.
- Head of the Audit Committee shall report important meeting contents to the Chairman of the Board of Directors.

The Board of Directors shall consider issuing detailed regulations on the functions, tasks, powers, responsibilities and operation of the Audit Committee.

## **CHAPTER X**

### **ENTRUSTED TASKS OF MEMBERS OF THE BOARD OF DIRECTORS, THE GENERAL DIRECTOR AND OTHER MANAGERS**

#### **Article 35. Cautiousness**

Members of the Board of Directors, the General Director and the Managers shall be entrusted with the responsibility to perform their tasks, including tasks performed in their capacity as members of sub-divisions of the Board of Directors in an honest manner and by modes which they deem are for the highest interests of SABECO and with the extent of caution which any careful person needs to have when assuming the equivalent posts and under the similar circumstances.

#### **Article 36. Responsibility to be honest and avoid conflict of interests**

1. Members of the Board of Directors, the General Director and the Managers must not use for their personal purposes the business opportunities which may bring about benefits to SABECO; and at the same time must not use the information acquired thanks to their positions for their personal interests or for the interests of any other organizations or individuals.
2. Members of the Board of Directors, the General Director and the Managers shall be obliged to notify the Board of Directors of every interest of possible conflict, which they may enjoy through various economic legal persons, transactions or other individuals.
3. SABECO must not provide loans, guarantees or credits to the members of the Board of Directors, the General Director and the Managers and their Concerned Persons or any legal persons in which these persons have financial interests, except otherwise provided for by the General Meeting of Shareholders.
4. A contract or transaction between SABECO and one or more members of the Board of Directors, the General Director, the Managers or their Concerned Persons or any other company, partner, society or organization, of which one or more members of the Board of Directors, the General Director, the Managers or their Concerned Persons are members or where they have relations in financial interests, shall not be invalidated, if:
  - a. For a contract valued at 20% or less of the total asset value recorded in the latest financial statements, the important elements on the contract or transaction as well as relations and interests of the Managers or the Members of the Board of Directors have already been reported to the Board of Directors or the concerned sub-division. At the same time, the Board of Directors or such sub-divisions have permitted the performance of such contract or transaction in an honest manner with the majority of favor votes of the Board of Directors members who have no relevant interests; or
  - b. For a contract valued at over 20% of the total asset value recorded in the latest financial statements, the important elements of such contract or transaction as well as the relations and interests of the Managers or the Members of the Board of Directors have already been announced to the Shareholders who have no relevant interests and are entitled to vote on that matter, and the Shareholders who have voted for this contract or transaction in an honest manner;
  - c. Such contract or transaction is considered by an independent consultancy organization fair and reasonable in all aspects related to SABECO's Shareholders at the time such transaction or contract is allowed for implementation, adopted or approved by the Board of Directors or a sub-division of the Board of Directors, or the Shareholders.

Not any members of the Board of Directors, nor the General Director, any Managers or their Concerned Persons are allowed to use the confidential



information of SABECO or disclose such information to other persons for performance of related transactions.

**Article 37. Liability and compensation**

1. Liability: The members of the Board of Directors, the General Director and the Managers, who breach the obligation to act honestly, fail to fulfill their obligations with carefulness, industriousness and professional capability, shall be held responsible for the damage caused by their acts of violation.
2. SABECO shall pay compensations to persons who were, are being and will possibly be in danger of becoming an involved party in cases of complaint, lawsuit or prosecution, which were, are being or will possibly be conducted regardless of whether these are civil or administrative cases (other than the lawsuits initiated by SABECO or falling under SABECO's right to initiate lawsuits), if such persons were or are being the Members of the Board of Directors, Managers, employees or authorized representatives of SABECO or such persons acted or are acting at the request of SABECO in the capacity of a Board of Directors member, Manager, employee or authorized representative of SABECO, provided that such persons have acted honestly, cautiously, industriously for the interests or not in conflict with the highest interests of SABECO, on the basis of compliance with the law and without any detection or certification that such persons have breached their responsibilities. When performing the tasks entrusted by SABECO, members of the Board of Directors, Managers, employees or authorized representatives of SABECO shall be compensated by SABECO to act as a party to a complaint, lawsuit or prosecution (other than the lawsuits initiated by SABECO) in the following cases:
  - a. Such person has acted honestly, cautiously, industriously for the interests or not in conflict with the interests of the Corporation;
  - b. Such person has complied with the law and no evidence indicates that he/ she fails to fulfill his/ her responsibilities.
3. The compensated expenses shall include the arising expenses (including attorney fees), jurisdiction expense, fines, payable amounts practically arising or considered reasonable when settling these cases within the framework permitted by the law. The Corporation is entitled to purchase insurance for such persons in order to avoid the above-mentioned compensation liabilities.

**Article 38. Contracts and transactions subject to approval of the General Meeting of Shareholders or the Board of Directors**

1. The Board of Directors shall approve every contract and transaction valuing less than 20% of SABECO's total asset value written in the latest financial statements. In this case, the Chairman of the Board of Directors must send a notification to the Members of the Board of Directors of the entities related to such contract or transaction, and enclose with the notification the draft contract or description of



- the transaction. The Board of Directors shall decide whether to approve the contract or transaction within 15 (fifteen) days from the day on which the notification is received; members with related interests do not have voting right.
2. The General Meeting of Shareholders shall approve contracts and transactions other than those prescribed in Clause 1 of this Article. In this case, the Chairman of the Board of Directors must send a notification to the Members of the Board of Directors of the entities related to such contract or transaction, and enclose with the notification the draft contract or description of the transaction. The Board of Directors shall submit the draft contract or description of the transaction to the General Meeting of Shareholders or carry out an absentee voting. In this case, shareholders with relevant interests do not have the voting right; the contract or transaction shall be accepted when it is voted for by a number of shareholders that represents 65% of the remaining votes, after subtracting the votes of the relevant shareholders.
  3. A contract or transaction shall be annulled and dealt with in accordance with law when it is concluded or carried out without approval as prescribed in Clauses 1 and 2 of this Article and thus causes damage to the Corporation. The Chairman/ Members of the Board of Directors or the General Director are jointly responsible for paying compensation and returning the incomes derived from such contract or transaction to SABECO.

## **CHAPTER XI**

### **RIGHT TO INSPECT BOOKS AND RECORDS OF SABECO**

#### **Article 39. Right to inspect books and records**

1. Shareholders or group of shareholders mentioned in Article 13.3 of this Charter has the right, either directly or through an authorized person, to send a written request for inspection of the list of shareholders, the minutes of the General Meeting of Shareholders and copy or extract the records during working hours and at the head office of the Corporation. A request for inspection of the shareholder's authorized representative must be accompanied by the authorization letter of the relevant shareholder or a notarized copy of such authorization letter.
2. Members of the Board of Directors, the General Director and other Managers are entitled to examine the register of shareholders, list of shareholders and other books and records of the Corporation for the purposes related to their positions, provided that such information must be kept confidential.
3. SABECO shall have to keep this Charter, the written amendments and supplements thereto, the Enterprise Registration Certificate, regulations, documents proving ownership of assets, resolutions/ minutes of the General Meeting of Shareholders and the Board of Directors, reports of the Board of Directors, annual financial





statements, accounting books and any other papers prescribed by the law at the head office or another places ,provided that the Shareholders and business registration authority are informed of the places where those papers are archived.

4. The Charter of SABECO must be published on its website.

## **CHAPTER XII**

### **EMPLOYEES AND TRADE UNION**

#### **Article 40. Employees and Trade Union**

The General Director shall have to work out plans for adoption by the Board of Directors on matters related to the recruitment, dismissal, wage, social insurance, welfare, commendation and discipline of Managers and employees as well as SABECO's relations with trade union organizations recognized according to criteria, practice and the best management policies, the practices and policies prescribed in this Charter, SABECO's regulations and laws.

## **CHAPTER XIII**

### **SHARE OF PROFITS**

#### **Article 41. Dividends**

1. The General Meeting of Shareholders shall decide the dividend amount and payment methods of annual dividends gained from retained earnings of SABECO.
2. In accordance with the Law on Enterprises, the Board of Directors may decide on the mid-term dividend payment if deeming that such payment conforms to SABECO's profit-generating capability.
3. SABECO shall not pay interests on dividend amount or other payable sums related to a share.
4. The Board of Directors may propose the General Meeting of Shareholders to adopt the full or partial payment of dividends with specific shares and the Board of Directors shall be the body to enforce this resolution.
5. Dividends or other money amounts related to a share, if being paid in cash, must be paid in Vietnam Dong, in cash and through bank account transfer when SABECO has acquired detailed information on the banks of the Shareholders. If SABECO has already effected the account transfer strictly according to the detailed information on the banks provided by the Shareholders, SABECO shall not bear responsibility for any money amounts transferred by SABECO to benefiting the Shareholders but not received by the latter. The payment of dividends for shares listed at the Stock Exchange may be effected through securities companies or Vietnam Securities Depository.

6. Pursuant to the Law on Enterprises and the Law on Securities, the Board of Directors shall adopt its resolutions on a specific date to make the final list of shareholders. Accordingly, persons who register as shareholders or other securities owners are entitled to receive dividends, interests, share of profits, shares, notices or other documents.
7. The profits shall be distributed as follows:  
SABECO shall deduct a sum from its after-tax profits to establish the following funds:
  - Investment and development fund;
  - Welfare fund;
  - Social security fund;The deduction amount shall be proposed by the Board of Directors and approved by the General Meeting of Shareholders.

## **CHAPTER XIV**

### **BANK ACCOUNTS, FISCAL YEAR AND ACCOUNTING SYSTEM**

#### **Article 42. Bank accounts**

1. SABECO shall open accounts at Vietnamese banks or at various foreign banks licensed to operate in Vietnam.
2. With the pre-approval of the competent authorities, SABECO may open bank accounts overseas in accordance with the law, if necessary.
3. SABECO may make payments and accounting transactions through its Vietnam Dong or foreign currency accounts at the banks where such accounts are opened.

#### **Article 43. Fiscal year**

The fiscal year of SABECO shall begin on the first day of January every year and end on the 31<sup>st</sup> day of December of the same year. The first fiscal year shall commence on the date of issuance of the Business Registration Certificate and end on the 31<sup>st</sup> of December after the date of issuance of the Business Registration Certificate.

#### **Article 44. Accounting system**

1. The accounting system applied by SABECO is the Vietnam Accounting System (VAS) or any other system approved by the Ministry of Finance.
2. SABECO shall prepare accounting books in Vietnamese language. SABECO shall keep the accounting records according to forms of its business activities. These records must be accurate, updated, systematic and sufficient to prove and explain SABECO's transactions.



3. SABECO shall use Vietnam Dong (or freely-convertible foreign currencies if approved by the competent authorities) as currency unit used in accounting.

## **CHAPTER XV**

### **ANNUAL REPORT, RESPONSIBILITY TO ANNOUNCE INFORMATION, NOTICES TO THE PUBLIC**

#### **Article 45. Annual, biannual, quarterly financial statements**

1. SABECO shall have to prepare annual financial statements according to the provisions of the laws as well as the provisions of the State Securities Commission, which must be audited according to Article 48 hereof, and within the time limit prescribed by the laws after the end of each fiscal year, shall have to submit the annual financial statements already approved by the General Meeting of Shareholders to the competent tax office, the State Securities Commission, the Stock Exchange and the business registration authority.
2. The annual accounting statements must include an income statement reflecting in an honest and objective manner the situation on SABECO's losses and profits in the fiscal year, and an accounting balance sheet showing honestly and objectively the situation of activities of SABECO until the time the report is made, the cash flow statement and notes to the financial statements.
3. SABECO shall prepare and publish bi-annual and quarterly reports in accordance with the regulations of the State Securities Commission, the Stock Exchange and submit the same to the relevant tax authority and the business registration authority in accordance with the Laws on Enterprises and the Law on Securities.
4. Audited financial statements (including auditors' opinions), bi-annual and quarterly reports of the Corporation must be published on the website of SABECO.
5. Concerned organizations and individuals are entitled to inspect or copy audited annual financial statements, biannual and quarterly reports at SABECO's head office during the working hours and must pay a reasonable fee for their copy.

#### **Article 46. Annual report**

SABECO shall prepare and publish annual reports in accordance with the laws on securities and stock market.

#### **Article 47. Periodical and irregular disclosure of information**

SABECO shall disclose information on a periodical and irregular basis in accordance with Articles 108 and 109 of the Law on Enterprises.

## **CHAPTER XVI**

### **AUDITING SABECO**

#### **Article 48. Auditing**

*Charter for organization and operation of SABECO*

1. The annual General Meeting of Shareholders shall designate an independent auditing company or approve a list of independent auditing companies, entrust the Board of Directors to select one amongst them to audit SABECO for the subsequent fiscal year, based on the terms and conditions agreed upon with the Board of Directors. SABECO shall have to prepare and send the annual financial statements to the independent auditors after the end of each fiscal year.
2. The independent auditing company shall examine, certify and report on the annual financial statement showing the earnings and expenditures of SABECO, make the auditor's report and submit it to the Board of Directors within two months after the end of each fiscal year.
3. A copy of the auditor's report must be sent together with a copy of the annual financial statement of SABECO.
4. The auditors who audit SABECO shall be allowed to attend all meetings of the General Meeting of Shareholders and entitled to receive notices and other information related to the General Meeting of Shareholders, which every Shareholder is entitled to receive, and to express opinions at the meeting about auditing-related matters.

## **CHAPTER XVII**

### **SEAL**

#### **Article 49. Seal**

1. SABECO shall have its own seal kept at its head office. The form and content of the seal, conditions for making the seal and the seal usage shall comply with the law.
2. The legal representative of SABECO shall conduct the usage and management of the seal in accordance with the prevailing law.

## **CHAPTER XVIII**

### **TERMINATION OF OPERATION AND LIQUIDATION**

#### **Article 50. Termination of operation**

1. SABECO may be dissolved or terminated in the following cases:
  - a. To be declared by a competent court as bankrupt in accordance with the prevailing law;
  - b. To be dissolved subject to a resolution of the General Meeting of Shareholders;
  - c. Other cases prescribed by the laws.



2. The dissolution of SABECO shall be decided by the General Meeting of Shareholders, implemented by the Board of Directors. This dissolution resolution must be notified to or approved by the competent authority (if required) in accordance with the law.

**Article 51. Change of the operation duration**

1. The Board of Directors shall convene the General Meeting of Shareholders so that the Shareholders may vote on the change of the operation duration of the Corporation at the proposal of the Board of Directors.
2. The operation duration shall be changed if the Shareholders holding at least 65% of the voting shares and present at the General Meeting of Shareholders in person or via their authorized representatives or via an absentee voting, vote in favor of such change.

**Article 52. Liquidation**

1. After the issuance of a decision on the dissolution of SABECO, the Board of Directors shall have to set up the Liquidation Board comprising at least three members, of whom two shall be appointed by the General Meeting of Shareholders and one shall be appointed by the Board of Directors from an independent auditing company. The Liquidation Board shall prepare regulations on its operation. The Liquidation Board's members may be selected from among the employees of SABECO or independent specialists. All expenses related to the liquidation shall be prioritized by SABECO with the payment thereof made before the payment of other debts of SABECO.
2. The Liquidation Board shall have to report to the business registration authority on the date of its founding and the date of commencing its operation. From that time on, the Liquidation Board shall act on behalf of SABECO in all affairs related to the liquidation of SABECO before the court and administrative agencies.
3. The proceeds from the liquidation shall be used for payments in the following order:
  - a. Liquidation expenses;
  - b. Wages and insurance premiums for employees;
  - c. Taxes and payables to the State;
  - d. Borrowings (if any);
  - e. Other debts of SABECO;
  - f. The remaining amount after effecting the payments from item (a) thru (e) above shall be distributed to Shareholders. Preference shares shall be given the priority of payment.

## **CHAPTER XIX**

### **SETTLEMENT OF INTERNAL DISPUTES**

#### **Article 53. Settlement of internal disputes**

1. Upon the appearance of disputes or complaints related to the operation of SABECO or to the Shareholders' rights arising from any right or obligation prescribed by SABECO's Charter, the Law on Enterprises, other laws or administrative regulations, between:

- a. A Shareholder or Shareholders and SABECO;
- b. A Shareholder or Shareholders and the Board of Directors, the General Director or Managers;

The involved parties shall endeavor to settle those disputes through negotiations and conciliation. Except for disputes related to the Board of Directors or the Chairman of the Board of Directors, the Chairman of the Board of Directors shall preside over the settlement of disputes and request each party to present the practical elements related to the disputes within 15 working days as from the date the disputes arise. If the disputes are related to the Board of Directors or Chairman of the Board of Directors, any party may request to appoint an independent specialist to act as the arbitrator for the settlement of the disputes.

2. If no conciliation decision is made within six (06) weeks as from the time of starting the conciliation process or if the decision of the conciliation mediator is not accepted by the parties, any party may bring the disputes to the competent Arbitration Center or Court.
3. Each party shall have to bear its own expenses related to the negotiation and conciliation procedures. The court's expenses shall be paid by a party decided by the court.

## **CHAPTER XX**

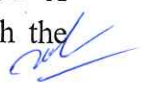
### **AMENDMENTS AND EFFECTIVENESS OF THE CHARTER**

#### **Article 54. Amendments of and additions to the Charter**

1. Any amendments of and additions to this Charter must be considered and decided by the General Meeting of Shareholders.
2. In cases where there are provisions of law related to the operation of SABECO which have not yet been mentioned in this Charter or where the new provisions of law are different from the provisions of this Charter, such new provisions of law shall naturally apply and regulate the operations of SABECO.

#### **Article 55. Effective date**



1. This Charter comprising 20 Chapters with 55 Articles is unanimously adopted by the General Meeting of Shareholders of Saigon Beer - Alcohol - Beverage Corporation on 21 July 21, 2018 in Ho Chi Minh city and the effect of its full contents is also approved.
2. This Charter is made into ten (10) copies of equal validity, of which:
  - a. One (01) copies shall be submitted at the relevant State notary office.
  - b. Five (05) copies shall be registered at the competent authorities according to the regulations of the provincial/ municipal People's Committee;
  - c. Four (04) copies shall be kept at the head office of the Corporation.
3. This Charter shall be a unique and official version of SABECO.
4. The Charter of SABECO shall take effects immediately after it is adopted by the General Meeting of Shareholders and signed by the legal representative of SABECO. Copies of the Charter shall be of full force in accordance with the prevailing laws. 

*Ho Chi Minh city, July 21, 2018*

**LEGAL REPRESENTATIVE**

**CHAIRMAN OF BOARD OF DIRECTORS OF SABECO**



**KOH POH TIONG**