

Ho Chi Minh City, 05/07/2018

## **REGULATION**

*Re: Nomination, self-nomination for members of the Board of Directors, the  
Supervisory Board for the term 2018-2023*

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- Pursuant to Law of Enterprises 68/2014/QH13 and other regulations;
- Pursuant to the Charter and Regulations of Saigon Beer – Alcohol – Beverage Corporation (SABECO);

The SABECO's Annual General Meeting of Shareholders 2018 shall conduct an election of the Board of Directors and the Supervisory Board for the new term 2018-2023.

The regulation of nomination, self-nomination for members of the Board of Directors and members of the Supervisory Board for the term 2018-2023 of SABECO as follows:

### **I. Scope and regulated entities:**

- This Regulation stipulates the conditions and procedures for nomination, self-nomination of members of the Board of Directors and members of the Supervisory Board for the term 2018-2023.
- Shareholders, candidates involved in the nomination, self-nomination for members of the Board of Directors and members of the Supervisory Board for the term 2018-2023 shall comply with this regulation.

### **II. Number and structure of the BOD and the Supervisory Board**

#### **1. The Board of Directors**

- Total members: 07 members.
- The structure of BOD is in accordance with article 13 of Decree No. 71/2017 / ND-CP dated June 6<sup>th</sup>, 2017 and Article 26 of SABECO's Charter.
- Maximum number of candidates: unlimited.

## **2. The Supervisory Board**

- Total members: 03 members
- Maximum number of candidates: unlimited.

### **III. Principles of nomination, self-nomination**

#### **1. Regulations on nomination, self-nomination for members of the BOD** *(Pursuant to Clause 3,4, Article 26 of SABECO's Charter)*

Shareholders holding shares with voting rights for at least six (06) consecutive months have the right to add up the number of votes of each member to nominate members of the BOD. A shareholder or a group of shareholders holding from 5% to less than 10% of the total number of voting shares may nominate one (01) candidate; from 10% and under 30% shall be entitled to nominate up to two (02) candidates; from 30% to less than 40% shall be entitled to nominate up to three (03) candidates; from 40% to less than 50% shall be entitled to nominate up to four (04) candidates, from 50% to less than 60% shall be entitled to nominate up to five (05) candidates, from 60% to less than 70% shall be entitled to nominate up to six (06) candidates, from 70% to 80% shall be entitled to nominate up to seven (07) candidates; and between 80% and less than 90% are entitled to nominate up to eight (08) candidates.

In case the number of candidates for the BOD through nomination and self-nomination is insufficient, the current Board of Directors shall nominate more candidates or organize the nomination according to a system regulated by SABECO's Internal Regulation on corporate Governance. The nomination system or the way the current Board of Directors nominates candidates for the Board of Directors must be clearly announced and approved by the General Meeting of Shareholders prior to nomination.

#### **2. Regulations on nomination, self-nomination for members of the Supervisory Board** *(Pursuant to Clause 2,3, Article 34 of SABECO's Charter, unless amended in this AGM)*

Shareholders have the right to combine the number of votes of each person to nominate candidates for the Supervisory Board. A shareholder or a group of shareholders holding from 5% to less than 10% of the total number of voting shares may nominate one (01) candidate; from 10% and under 30% shall be entitled to nominate up to two (02) candidates; from 30% to less than 40% shall be entitled to nominate up to three (03) candidates; From 40% to less than 50% shall be entitled to nominate up to four (04) candidates, from 50% to less than 60%





shall be entitled to nominate up to five (05) candidates.

In cases the number of candidates for the Supervisory Board through nomination and self-nomination is insufficient, the current Supervisory Board shall nominate more candidates or organize the nomination in accordance to a system regulated by SABECO's Internal Regulation on corporate Governance. The mechanism the current Supervisory Board nominates candidates for the Supervisory Board must be clearly announced and approved by the General Meeting of Shareholders prior to nomination.

#### **IV. Criteria for candidates**

##### **1. Criteria for candidates to join the Board of Directors**

**1.1. Criteria for a member of the Board of Directors** *(Pursuant to Clause 1 of Article 151 of the Law on Enterprises 68/2014/ QH13 and Clause 1, Article 26 of the SABECO's Charter)*

- Have full capacity for civil acts, and not a subject prohibited from managing an enterprise in accordance with Clause 2, Article 18 of the Law on Enterprise 68/2014/ QH13;
- Have professional qualifications and experience in business administration, but not necessarily being a shareholder of the company.
- Members of the BOD of SABECO must not concurrently be the members of the BOD at more than 05 other public companies.

**1.2. Independent member of the Board of Directors is a member of the Board of Directors meeting the following conditions** *(Pursuant to Clause 2 of Article 151 of the Law on Enterprises 68/2014/ QH13)*

- Not being a current employee of the company or its subsidiaries; not being a person who has worked for the company or the company's subsidiaries over the previous 03 consecutive years.
- Not being a person receiving salaries, remuneration from the company, except for the benefits to which Members of the Board of Directors are entitled;
- Not having a spouse, birth parent, adoptive parent, birth child, adopted child, or sibling being a major shareholder of the company or being a manager of the company or the company's subsidiary;
- Not directly or indirectly hold more than 1% of the company's voting shares;

- Not been a member of the Board of Directors or the Supervisory Board of the company in the preceding 05 consecutive years.

**2. Criteria for a member of the Supervisory Board** *(Pursuant to Clause 1 of Article 164 of the Law on Enterprises 68/2014/ QH13 and Clause 1 Article 34, SABECO's Charter)*

- Have full capacity for civil acts, and not a subject prohibited from establishing and managing an enterprise according to Clause 2, Article 18 of this Law on Enterprises 68/2014/ QH13;
- Not having a spouse, birth parent, adoptive parent, birth child, adopted child, or sibling who is a member of the BOD, the General Director or other manager of the company;
- Not hold managerial positions; not required to be a shareholder or employee of the company
- Must be an auditor or accountant;
- Not a member of the SABECO's Accounting and Finance Department and not to be a member or an employee of the Independent Auditing Company that is conducting an audit of the financial statements of SABECO.

**V. Principles, Method of election:**

**1. Principles of Election**

- Comply with the law, the charter.
- Secret ballot method.
- The right to vote is calculated according to the number of shares owned or authorized. The result of the election is calculated on the number of voting shares of the attending shareholders.
- At each election, a shareholder can only use one vote corresponding to the number of shares owned or represented by that shareholder.
- The Vote Counting Committee is nominated by the Chairman and approved by the General Meeting of Shareholders. A member of the Vote Counting Committee must not be named on the list of nominees and candidates for the Board of Directors or the Supervisory Board.

**2. Method of election.**

- List of candidates is sorted alphabetically by name, full name and last name on the vote.
- Method of election:

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- Use the cumulative voting method: Accordingly, each shareholder has total number of votes corresponding to total number of shares owned multiplied by the number of members to be elected to the Board of Directors and the Supervisory Board, and shareholders are entitled to vote his total votes for one or a number of candidates.
  - Each shareholder attending the AGM shall be given one voting ballot for the Board of Directors and one voting ballot for the Supervisory Board. The shareholder shall fill in the number of votes for each member they wish to elect so that the total number of votes cast shall be equal to or less than the total number of votes held by that shareholder. In case of voting error, shareholders may contact the Vote Counting Committee to re-issue the vote and return the old one.
- Election votes will be placed in the ballot box that was sealed prior to vote counting.
  - Valid voting ballot: printed form issued by the organizer without erasing, scraping, adding other than the vote regulation.
  - The following votes will be considered invalid:
    - Add more content to the vote
    - Cross name of candidates
    - Voting form is not on the printed form issued by the organizer, or has been erased, scraped, added other than the vote regulations.
    - The total number of votes cast is greater than the total number of votes entitled.
  - Vote counting: Conduct in a private room under the supervision of a shareholder representative.
  - The Vote Counting Committee shall make minutes of vote counting, announce the results and, together with the chairman address questions and complaints of shareholders (if any).
  - The counted votes will be archived in accordance with regulations and opened at the request of the General Meeting of Shareholders of the Company.
- 3. The principle of choosing candidates:**
- Reach the highest percentage of voting shares with enough proposed number of members (the percentage of voting shares shall be taken from the top down to the full number of the Board of Directors and the Supervisory Board members to be elected).

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- In cases, there are candidates with the same percentage of votes, but it must reduce the number to reach the full number of elected members according to regulations, the candidate holding more shares will be selected. If the number of shares is equal, then the election will be re-organized among these candidates.
- If the result of the first election does not meet number of members of the Board of Directors and the Supervisory Board under the provisions of the Charter, it shall be supplemented until the sufficient number of members of the Board of Directors and the Supervisory Board are met.

#### **VI. Documents of nomination, self-nomination:**

*(The form is posted on SABECO's website: [www.sabeco.com.vn](http://www.sabeco.com.vn) )*

- Nomination, self-nomination form for member of the BOD/ Supervisory Board (please refer to the form);
- Minutes of group meeting (if any, please refer to the form);
- Curriculum vitae (please refer to the form);
- Certified true copies of the following documents: ID card / Passport / Citizen ID card;
- Certified true copies of degrees for academic qualification and professional qualifications (if any);
- Confirmation of ownership of the shareholder / group of shareholders who meet the conditions for nomination.
- Nominee in the BOD/Supervisory Board must take responsibility before the law, before the General meeting of shareholders for the accuracy and truthfulness of content of their profiles.

#### **VII. Deadline and address for receiving documents**

In order to facilitate the procedure of holding AGM, the shareholder or the group of shareholders who meet the above criteria for nomination, self-nomination for members of the Board of Directors and members of the Supervisory Board should send nomination, self-nomination documents by **4:00pm on July 16<sup>th</sup>, 2018** to the SABECO Office at:

Saigon Beer - Alcohol - Beverage Corporation

**Address:** Floor 5, Vincom Center B Building, No. 72 Le Thanh Ton, District 1, HCMC

**Tel.:** (08) 3829 4081

**Fax:** (08) 3829 6856

**Contact:** Ms. Nguyen Phuong Lien

**Email:** [liennp@sabeco.com.vn](mailto:liennp@sabeco.com.vn)

The nomination, self-nomination documents for members of the Board of Directors and members of the Supervisory Board for the term 2018-2023 sent to the Company after July 16<sup>th</sup> 2018 shall be submitted to the General Meeting of Shareholders before the election of the Board of Directors and the Supervisory Board for the term 2018-2023.

#### **VIII. Validity:**

The regulation of nomination, self-nomination for members of the Board of Directors and members of the Supervisory Board for the term 2018-2023 will take effect immediately upon approval by the Annual General Meeting of Shareholders 2018.

This regulation will expire upon completion of the SABECO 2018 AGM.

The above is the entire content of the regulation of nomination, self-nomination for members of the Board of Directors and members of the Supervisory Board for the term 2018-2023.

Kindly submitted to the General Meeting of Shareholders for approval./.

**ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN**



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