

**SAIGON BEER - ALCOHOL – BEVERAGE  
CORPORATION**

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**OPERATION REGULATION  
OF THE BOARD OF DIRECTORS**

*Ho Chi Minh City, April 28<sup>th</sup>, 2021*



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## **CHAPTER I GENERAL PROVISIONS**

### **Article 1. Definitions**

In the Operation Regulation of the Board of Directors, the following terms have the meanings ascribed to them hereunder:

- a) “SABECO” means Saigon Beer – Alcohol – Beverage Corporation;
- b) “The Law on Enterprises” means the Law on Enterprises No. 59/2020/QH14 passed by National Assembly of the Socialist Republic of Vietnam on June 17<sup>th</sup>, 2020;
- c) “The Law on Securities” means the Law on Securities No. 54/2019/QH14 passed by National Assembly of the Socialist Republic of Vietnam on November 26<sup>th</sup>, 2019;
- d) “General Meeting of Shareholders” means General Meeting of Shareholders of SABECO;
- e) “Board of Directors” is a regulatory body of SABECO, has the power to, on behalf of SABECO, make decisions, perform the SABECO’s rights and obligations beyond the competence of the General Meeting of Shareholders;
- f) “Audit Committee” means the audit committee under the Board of Directors as stipulated in clause 1 Article 161 of the Law on Enterprises and SABECO’s Charter;
- g) “Independent Member” means the independent member of the Board of Directors defined in clause 2 Article 155 of the Law on Enterprises;
- h) “Managers” mean the Chairman and members of Board of Directors, General Director, Deputy General Directors, and Chief Accountant of SABECO;
- i) “Representatives” is the person appointed by the Board of Directors of SABECO to act as a representative for a part of or the whole shares or contributed capital of SABECO in the enterprises to perform all or some rights, responsibilities and obligations of the shareholders or the capital contributors in the enterprises in accordance with the provisions of law and the regulations of SABECO. The representative for the shares or contributed capital of SABECO can hold the position as Chairman or Member of Board of Directors, Chairman or Member of Board of Members of the enterprises owning the shares or contributed capital of SABECO;
- j) “Related persons” means the organizations and individuals defined in clause 23 Article 4 of the Law on Enterprises and clause 46 Article 4 of the Law on Securities.

### **Article 2. Scope of regulation and subjects of application**

1. Scope of regulation: The Operation Regulation of the Board of Directors provides for the organizational structure, operating principles, rights and



obligations, liability and working regime of the Board of Directors and members of the Board of Directors in order to ensure its operation is conformable with the Law on Enterprises, SABECO's Charter and other relevant provisions of law.

2. Subjects of application: This Regulation applies to the Board of Directors, members of the Board of Directors, Managers, Representatives, Audit Committee and sub-committees under the Board of Directors, departments and employees of SABECO when performing work within the authorities of the Board of Directors.

### **Article 3. Principles of operation of the Board of Directors**

1. The Board of Directors shall work on a collective principle. Each member of the Board of Directors shall be responsible for the performance of his/her own tasks and be jointly responsible to the General Meeting of Shareholders and the law for the resolutions and decisions of the Board of Directors regarding development of SABECO.

2. The Board of Directors shall assign the General Director to organize the implementation of the resolutions and decisions of the Board of Directors, including the issuance of guiding and implementing documents.

## **CHAPTER II MEMBERS OF THE BOARD OF DIRECTORS**

### **Article 4. Rights and obligations of members of the Board of Directors**

1. Members of the Board of Directors have all the rights specified in the Law on Enterprises, the Law on Securities, relevant laws, and SABECO's Charter, including the right to be provided information and documents about the finance and business performance of SABECO and its subsidiaries and associated companies.

2. Members of the Board of Directors have obligations specified in SABECO's Charter and the following obligations:

a) To exercise their duties in an honest and prudent manner for the best interests of SABECO and its shareholders;

b) To attend all meetings of the Board of Directors and comment on the raised issues;

c) To promptly and thoroughly inform the Board of Directors of the remunerations paid by the subsidiaries and associated companies;

d) To inform the Board of Directors at the nearest meeting of the Board of Directors the transactions between SABECO/its subsidiary companies and other companies of which over fifty percent (50%) of charter capital is held by SABECO and such member or his/her related persons; transactions between SABECO and companies in which members of the Board of Directors are founding members or enterprise managers within the latest 03 years prior to the

transaction time;

e) Not to use opportunities which may bring about benefits to SABECO for their personal purposes; and at the same time not to use the information acquired owing to their positions for their personal interests or for the interests of any other organizations or individuals;

f) To disclose information when trading SABECO's shares as prescribed by law.

3. Independent members of the Board of Directors shall prepare reports on performance of the Board of Directors as prescribed by law and SABECO's Charter.

**Article 5. The right to be provided with information of members of the Board of Directors**

1. Members of the Board of Directors have the right to request the General Director, Deputy General Directors, other Managers, and Representatives to provide information and documents about the finance and business performance of SABECO and its subsidiaries and associated companies as appropriate.

2. The persons requested to provide information shall promptly, fully and accurately provide the information and documents at the request by the members of the Board of Directors.

**Article 6. Term of office and number of members of the Board of Directors**

1. Members of the Board of Directors of SABECO may not concurrently be the member of the board of directors of more than five (05) other public companies.

SABECO's Board of Directors shall ensure that at least one third (1/3) of members of the Board of Directors are non-executive members of the Board of Directors.

SABECO's Board of Directors shall ensure that at least two (02) members of the Board of Directors are independent members.

Qualifications and conditions of members of the Board of Directors are stipulated at clauses 1 and clause 2 Article 155 of the Law on Enterprises.

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 who shall not be re-elected for more than 02 consecutive terms. The minimum number of non-executive members of the Board of Directors shall be determined by the method of rounding downwards.

3. Where all members of the Board of Directors end their term of office,



such member(s) shall continue to be members of the Board of Directors until new member(s) are elected to replace and take over the work.

**Article 7. Criteria and conditions of members of the Board of Directors**

1. A member of the Board of Directors shall satisfy the following criteria and conditions:

a) He/she is not any of the persons specified in clause 2 Article 17 of the Law on Enterprises;

b) He/she has qualifications and experience of business administration or in the same fields of business of SABECO;

c) A member of the Board of Directors may concurrently hold the position of member of Board of Directors of another company;

2. An Independent member of the Board of Directors shall satisfy the following criteria and conditions:

a) He/she is not working for SABECO, parent company or subsidiary companies of SABECO; he/she is not a person who used to work for SABECO, parent company or subsidiary companies of SABECO during the last three (03) years;

b) He/she is not a person who is entitled to salary or remuneration from SABECO, except the allowances to which members of the Board of Directors are entitled as per regulations;

c) His/her spouse, biological parents, adoptive parents, biological children, adopted children, siblings are not major shareholders of SABECO; are not managers of SABECO or its subsidiary companies;

d) He/she does not directly or indirectly hold at least one percent (01%) of the total voting shares of SABECO;

e) He/she does not hold the position of member of the Board of Directors of SABECO during the last five (05) years, except for case of being designated for two (02) consecutive terms.

3. The independent member of the Board of Directors shall inform the Board of Directors when he/she no longer fully satisfies the requirements specified in clause 2 of this Article and is obviously no longer an independent member from the day on which such requirements are not fully satisfied. The Board of Directors shall report this during the nearest General Meeting of Shareholders or convene the General Meeting of Shareholders to elect or replace the independent member within six (06) months from the day on which the notice is received from the disqualified member.

4. Members of the Board of Directors are not required to hold shares in SABECO.

**Article 8. Chairman of the Board of Directors**

1. The Chairman of the Board of Directors shall be elected by voting among the members of the Board of Directors and be removed, dismissed or replaced by the Board of Directors.

2. The Chairman of the Board of Directors shall not concurrently hold the position of the General Director of SABECO.

3. 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 rights and obligations:

a) Organize research on development strategies, long-term plans and large-scale investment projects; restructuring plans for the organization and key personnel of SABECO to submit to the Board of Directors;

b) Formulate quarterly and annual operation programs/ plans of the Board of Directors;

c) Assign the members of the Board of Directors to perform the rights and obligations of the Board of Directors;

d) Direct the implementation of operation programs/ plans of the Board of Directors;

e) Prepare the agenda, contents, and documents of meetings; convene and chair meetings of the Board of Directors;

f) Organize the ratification of resolutions of the Board of Directors upon getting the meeting minutes or minutes of opinions result of the Board of Directors;

g) 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;

h) 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;

i) Decide and take responsibility for the tasks assigned and delegated by the Board of Directors;

j) Appoint individuals to hold 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;

k) 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;

l) Ensure that the Board of Directors sends annual financial statements, reports on operations of SABECO and auditor's reports in according with provisions of law and SABECO's Charter;

m) Organize the public announcement, disclosure of SABECO's information in accordance with the law; to be responsible for the completeness, timeliness, accuracy, truthfulness of the information as disclosed;

n) Give an authorization and be responsible for his/ her own authorization.

4. The Chairman of the Board of Directors shall convene and preside over the General Meeting of Shareholders and meetings of the Board of Directors; at the same time have other rights and responsibilities prescribed in SABECO's Charter and the Law on Enterprises. In case the Chairman of the Board of Directors cannot hold the chairmanship role, the selection of a chairperson shall comply with the provisions of SABECO's Charter and the law.

5. The Chairman of the Board of Directors shall be removed or dismissed under the decision of the Board of Directors. In the case where the Chairman of the Board of Directors resigns or is removed or dismissed, the Board of Directors shall elect a replacement within ten (10) days from the date of receipt of the resignation letter or making decision on removal or dismissal or replacement of the position of chairman of the Board of Directors.

6. If the Chairman of the Board of Directors is absent or unable to perform his/her duties, he/ she shall authorize in writing another member of the Board of Directors to exercise the rights and obligations of the Chairman of the Board of Directors. In cases where no person is authorized or the Chairman is dead, missing, put in temporary detention, serving an imprisonment sentence or administrative measure of a compulsory drug rehabilitation center, compulsory education institution, absconds from his/her place of residence, has his/her civil act capacity restricted or lost, having difficulties in cognition and behavior control, banned from conducting business, holding certain posts or performing certain jobs by courts, the remaining members of the Board of Directors shall elect one of them on the majority principle to hold the position of the chairperson of the Board of Directors until a new decision of the Board of Directors is issued.

#### **Article 9. Dismissal, removal, replacement, and addition of members of the Board of Directors**

1. A member of the Board of Directors ceases the status of member of the Board of Directors when he/she is replaced, dismissed or removed by the General Meeting of Shareholders under 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 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 the 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 the consent of the Board of Directors, and the Board of Directors decides that the position of such member is vacated; except in case of force majeure;

e) Such member is dismissed by a decision of the General Meeting of Shareholders;

f) Such member provides false personal information to SABECO as a candidate for the Board of Directors;

g) Other cases stipulated by the laws and SABECO's Charter.

2. Where necessary, the General Meeting of Shareholders may replace, dismiss or remove, members of the Board of Directors in cases other than those specified in clause 1 of this Article.

3. The Board of Directors shall convene the General Meeting of Shareholders to elect additional members of the Board of Directors in the following cases:

a) The number of members of the Board of Directors is reduced by more than one-third of the number specified in SABECO's Charter. The Board of Directors shall convene the General Meeting of Shareholders within sixty (60) days from the date of the occurrence;

b) 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 specified in SABECO's Charter. The Board of Directors shall convene the General Meeting of Shareholders within thirty (30) days from the date of the occurrence;

c) The number of independent members of the Board of Directors falls below the minimum number specified in SABECO's Charter;

d) Except in the cases specified in point a and point b of this clause, the General Meeting of Shareholders shall elect new members to replace those who have been dismissed or discharged in the latest meeting.

#### **Article 10. Methods of election, dismissal, removal or replacement of Board members**

1. The election, dismissal, removal or replacement of members of the Board of Directors shall be decided by the General Meeting of Shareholders.

2. The shareholders 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 ten percent (10%) of the total number of voting shares shall be entitled to nominate one (01) candidate; from more than ten percent (10%) to less than thirty percent (30%) to nominate up to two (02) candidates; from thirty percent (30%) to less than forty percent (40%) to nominate up to three (03) candidates; from forty percent (40%) to less than fifty percent (50%) to nominate up to four (04) candidates; from fifty percent (50%) to less than sixty percent (60%) to nominate up to five (05) candidates; from sixty percent (60%) to less than seventy percent (70%) to nominate up to six (06) candidates; from seventy percent (70%) to less than eighty percent (80%) to nominate up to seven (07) candidates; and from eighty percent (80%) to less than ninety percent (90%) to nominate up to eight (08) candidates.

The group of shareholders that nominate candidates to the Board of Directors shall inform the participating shareholders of the meeting before the opening of the General Meeting of Shareholders in accordance with SABECO's Charter and the Law on Enterprises.

3. Where the number of candidates to the Board of Directors by way of standing for election or nomination is insufficient, the incumbent Board of Directors may nominate additional candidates or hold a nomination in accordance with the mechanism stipulated in SABECO's internal regulations on corporate governance. The mechanism for nomination or the method of nominating candidates to the Board of Directors by the incumbent Board of Directors shall be clearly announced and shall be approved by the General Meeting of Shareholders before commencing the nomination.

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 members of the Board of Directors to be elected, 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 SABECO's Charter. If there are two (02) or more candidates who obtain the same number of votes for the last position on 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 11. Announcement of election, dismissal, removal or replacement of members of the Board of Directors**

1. Where the candidate has been identified, information relating to candidates for the Board of Directors shall be included in the meeting documents of the General Meeting of Shareholders published at least ten (10) days before the opening date of the General Meeting of Shareholders on the website of the



Corporation, to provide shareholders with information on these candidates before voting. The candidates for the Board of Directors shall submit a written undertaking attesting to the truthfulness, accuracy and reasonableness of the published personal information and commit to perform their tasks honestly if elected to become members of the Board of Directors. Information relating to candidates for the Board of Directors to be published shall include the following:

- a) Full name, date of birth;
- b) Educations;
- c) Qualifications;
- d) Working experience;
- e) Companies in which the candidate holds the position of a member of the Board of Directors and other executive positions;
- f) Assessment report on candidate's contribution to SABECO, in case the candidate is currently a member of SABECO's Board of Directors;
- g) Benefits related to SABECO and related parties of SABECO (if any);
- h) Full name of the shareholder or group of shareholders nominating the candidate (if any);
- i) Other information (if any).

2. The results of election, dismissal, removal or replacement of members of the Board of Directors shall be announced in accordance with regulations on information disclosure.

#### **Article 12. Remunerations, bonuses, and other benefits of members of the Board of Directors**

1. 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.

2. 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 shall be disclosed in the annual report of SABECO.

3. Any members of the Board of Directors who hold a management position or who work in Audit Committee or sub-committees of the Board of Directors or who perform 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.

4. Remunerations of the Board of Directors shall be recorded as SABECO's operating costs in accordance with regulations of law on corporate income tax, presented in a separate section of SABECO's annual financial statement and reported at the annual General Meeting of Shareholders.

5. 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 duties 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, of the Audit Committee or of sub-committees of the Board of Directors.

6. Members of the Board of Directors may have Directors and Officers insurance purchased by SABECO if this is approved by the General Meeting of Shareholders. This insurance does not cover liability of members of the Board of Directors relevant to violations against the law and SABECO's Charter.

### **CHAPTER III BOARD OF DIRECTORS**

#### **Article 13. Rights and obligations 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 Managers.

3. The Board of Directors has the following rights and obligations:

a) Make decisions on annual plans for the development of SABECO's business and production, and annual budgets;

b) Make decisions on production and business strategy, plan and five (05) years 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) Make decisions on the organizational structure of SABECO, the establishment of subsidiary companies, the establishment of branches and representative offices and the capital contribution and purchase of shares of other enterprises;

d) Decide and promulgate internal regulations for the management of SABECO, except for the Internal Regulations on corporate governance of



SABECO and Operation Regulation of Board of Directors which fall within the authority of the General Meeting of Shareholders;

e) At the request of the Chairman of Board of Directors, the Board of Directors shall decide the appointment, removal, secondment, commendation, disciplining or signing of contract, termination of contract, salary level or remuneration of: The Executives and positions within the Board of Directors of SABECO; Chairman of the Members' Councils (or company chairman) of wholly owned subsidiaries of SABECO; Representatives holding the ownership of shares or capital contributions in other enterprises;

f) Resolve claims of SABECO against managers and make decisions to select representatives of SABECO to resolve issues relating to legal proceedings against such managers;

g) Propose classes of shares which may be issued and the total number of shares of each class to be issued;

h) Propose the issuance of bonds, convertible bonds and securities rights which entitle owners to purchase shares at a pre-determined price;

i) Determine the price of bonds, shares and convertible securities offered for sale if so authorized by the General Meeting of Shareholders;

j) Make decisions on the sale of unsold shares within the number of authorized shares of each type; decide other forms of raising additional capital;

k) Make decisions on the repurchase of shares in accordance with clause 1 and clause 2 Article 133 of the Law on Enterprises;

l) Report to the General Meeting of Shareholders on the appointment of the General Director by the Board of Directors;

m) Propose annual dividend rates and determine provisional dividend rates; organize the payment of dividends;

n) Propose the amendments and additions to charter, classes of shares and number of shares to be offered for sale; merger, restructure, reorganization, change of ownership, dissolution or request for bankruptcy of SABECO;

o) Approve proposals in connection with the production, business, investment plans and organization structure of the persons heading the 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;

p) Approve contracts of sale, purchase, borrowing, lending or any other contracts amounting to thirty five percent (35%) or more of the total value of assets recorded in SABECO's latest financial statements, except for contracts and transactions defined in point d clause 2 Article 138 and clause 1 and clause 3 Article 167 of the Law on Enterprises;

q) Approve the agenda, materials of the General Meeting of Shareholders;

convene the General Meeting of Shareholders or collect written opinions for the adoption of resolutions of the General Meeting of Shareholders;

r) Submit annual financial statements to the General Meeting of Shareholders;

s) Propose the dividend rates to be paid, timing and procedures for payment of dividend or the settlement of losses incurred during the course of business operations;

t) The Board of Directors shall set up the Audit Committee under the Board of Directors. The organization structure, rights and responsibilities of the Audit Committee as prescribed in SABECO's Charter, the internal regulations on corporate governance of SABECO and other regulations;

u) Develop operation regulations of the Board of Directors and internal regulations on corporate governance of SABECO to be submitted to the General Meeting of Shareholders for approval. The operation regulations of the Board of Directors and internal regulations on corporate governance of SABECO shall not contradict the laws and SABECO's Charter;

v) Other rights and obligations in accordance with SABECO's Charter, the Law on Enterprises, the Law on Securities and other provisions of law.

4. The Board of Directors shall submit reports on its performance results to the General Meeting of the Shareholders in accordance with the law and SABECO's Charter.

5. The following matters shall 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 153 of the Law on Enterprises and except for the case stipulated in clause 3 Article 167 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 persons 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 ten percent (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 countries;

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 ten percent (10%) of shares of each class has been offered for sale within twelve (12) months;

j) Decision on purchase price or on recovery of shares of SABECO;

k) Other business matters or transactions that shall be approved by the Board of Directors within its scope of power and authority subject to its decision;

l) Sign of contracts between SABECO or its branches and the persons listed in clause 1 Article 167 of the Law on Enterprises with a value less than twenty percent (20%) of the total assets of SABECO and its branches as recorded in the most recent audited financial statements.

6. Unless otherwise stipulated by law and SABECO's Charter, the Board of Directors may authorize lower-level staff and managers to deal with work on behalf of SABECO.

7. The members of the Board of Directors, or the Managers or management, who breach the obligation to act honestly, or fail to fulfil their obligations with care, diligence and professionalism, shall be held responsible for the damage caused by their acts of violation.

8. When deeming it necessary, the Board of Directors may decide to appoint the Company Secretary. The Company Secretary has the following rights and obligations in accordance with clause 5 Article 156 of the Law on Enterprises.

9. The Board of Directors shall appoint at least one (01) person acting as Person in charge of corporate governance of SABECO as prescribed in SABECO's Charter. The Person in charge of corporate governance of SABECO may concurrently be the Company Secretary.

**Article 14. Responsibilities and obligations of the Board of Directors in approval of contracts and transactions with shareholders, Managers and related persons**

1. The Board of Directors shall approve the contracts and transactions with values of less than twenty percent (20%), or transactions resulting in a total transaction value (that has arisen within twelve (12) months from the date of making the first transaction) of less than twenty percent (20%) of the total asset value recorded in the latest financial statements with the following:

- Managers and their related persons;
- Shareholders and authorized representatives of shareholders owning more than ten percent (10%) of the ordinary shares of SABECO and their related persons;

- Enterprises related to the person/organization specified in clause 2 Article 164 of the Law on Enterprises;

2. The Board of Directors approves other contracts and transactions in accordance with SABECO's Charter and the relevant laws.

3. The Chairman of the Board of Directors shall send a notification to the Board of Directors regarding the entities party to such contract or transaction and enclose with the notification the draft contract or key contents of the transaction. The Board of Directors shall decide whether to approve the contract or transaction within fifteen (15) days from the day on which the notification is received; member(s) of the Board of Directors with related interests does not have voting right.

**Article 15. Responsibilities of the Board of Directors for convening extraordinary General Meeting of Shareholders**

1. The Board of Directors shall convene an extraordinary General Meeting of Shareholders in the following cases:

a) The Board of Directors considers that it is necessary to do so in the interests of SABECO;

b) The annual balance sheet, the quarterly or half year 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 SABECO's Charter;

d) A shareholder or a group of shareholders that holds at least five percent (05%) of total ordinary shares requests in writing to convene a General Meeting of Shareholders. A request to convene a General Meeting of Shareholders shall be in written form, which contains enough signatures of the relevant Shareholders or the written request is made in several copies and gather enough signatures of the relevant Shareholders. Such request shall have information as full name, contact address, serial number of legal document for an individual shareholder; name, enterprise code or serial number of legal document, head office address for an institutional 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 SABECO; the reasons for and purposes of such meeting. Enclosed with such request shall be documents, evidence of violations of the Board of Directors, degree of violations or decisions made ultra vires;

e) Other cases as provided for by the law and SABECO's Charter.

2. Convention of extraordinary General Meeting of Shareholders:

The Board of Directors shall convene a General Meeting of Shareholders



within thirty (30) days from the date of the occurrence of the event as set out in clause 1 or of receiving the requests stated at point c point d clause 1 of this Article.

3. When convening the General Meeting of Shareholders, the Board of Directors shall perform the following tasks:

a) Prepare 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 shall be announced at least twenty (20) days before the record date; The list of shareholders qualified to attend the meeting shall be prepared no sooner than ten (10) days before the date of sending the meeting invitation;

b) Provide information and settle claims in connection with the list of shareholders;

c) Plan the agenda and contents of the meeting;

d) Prepare documents for the meeting;

e) Draft a resolution of the General Meeting of Shareholders subject to the proposed contents of the meeting; list and detailed information of candidates in case of election of members of Board of Directors;

f) Determine the time and venue of the meeting;

g) Send meeting invitation to each shareholder qualified to attend the meeting;

h) Other tasks in connection with the meeting.

#### **Article 16. Audit Committee and sub-committees under the Board of Directors**

1. Audit Committee is the committee under the Board of Directors which plays an important role in assisting the Board of Directors to discharge its oversight responsibility for adequate and effective risk management, financial reporting, control and corporate governance.

2. The Board of Directors may set up office, sub-committees, dependent units and delegate its activities and decisions to its nominated sub-committees in charge of development policy, personnel, compensation and internal auditing and risk management. The establishment of sub-committees shall be approved by the General Meeting of Shareholders. The activities of the sub-committees shall comply with the Operation Regulations of the Board of Directors.

3. Members of a sub-committee shall comprise of members of the Board of Directors and one or more persons other than the members of the Board of Directors, if the Board of Directors deems appropriate. In the process of exercising the authorized powers, every sub-committee shall 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-committee and permit such persons to vote in the capacity as members of such sub-committee, but (a) the number of additionally admitted members shall be smaller than half of the total number of members of such sub-committee, and (b) the resolutions of such sub-committee shall be valid if the majority of the members present at the meetings to adopt such resolutions are members of the Board of Directors.

4. The implementation of the decision of the Board of Directors or sub-committees to the Board of Directors, or of the person having member status in the sub-committees to the Board of Directors shall comply with the Internal Regulations on Corporate Governance of SABECO, the Operation Regulations of Board of Directors, SABECO's Charter and the provisions of law.

## **CHAPTER IV MEETINGS OF THE BOARD OF DIRECTORS**

### **Article 17. 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 shall convene regular meetings of the Board of Directors, work out the agenda, 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 shall convene without any unreasonable delay a meeting of the Board of Directors when one of the following makes a written request therefor, stating the purpose of the meeting as well as the 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;
- c) Independent members of the Board of Directors.

4. The Chairman of the Board of Directors shall convene a meeting of the Board of Directors within seven (07) working days upon receipt of a written request stated in clause 3 of 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 of this Article may convene a meeting of the Board of Directors.

5. At the requests of the independent auditors, the Chairman of the Board of Directors shall 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 agreement of the Board of Directors.

#### 7. Meeting notice and agenda

All meetings shall be conducted on the basis of the notices sent to members of the Board of Directors at least five (05) days before the meetings are organized. The notices on the Board of Directors' meetings shall be made in writing in Vietnamese language and contain the meeting agenda, time and venue, which shall be sent together with necessary documents on issues to be discussed and voted on at the Board of Directors' meetings as well as voting cards for the members who cannot attend the meetings.

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

#### 8. Quorum

A meeting can proceed and adopt resolutions only when it is attended by at least three-fourths (3/4) of the total 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 the provision prescribed in point b clause 9 of this Article, every member of the Board of Directors or authorized person present at the Board of Directors' meeting in his/her personal capacity shall have one (01) vote;

b) Members of the Board of Directors shall not vote on contracts, transactions or proposals in which such members or any of his/her related persons has interests and such interests may conflict with the interests of SABECO. A member of the Board of Directors shall not be counted into the quorum of a meeting regarding any resolutions which such member is not entitled to vote on;

c) According to the provision in point d clause 9 of this Article, in a meeting of the Board of Directors, if any issue arises, relating to the extent of interests of

the members of the Board of Directors or to the voting right of any members and such issues have not been settled with the voluntary abstention of such members of the Board of Directors, they shall be transferred to the meeting chairperson and his/her decisions related to all other members of the Board of Directors shall be final, except for cases where the nature or scope of the interests of the related members of the Board of Directors have not yet been declared satisfactorily;

d) Any members of the Board of Directors who enjoy benefits from a contract prescribed in point a and point b clause 4 Article 39 of SABECO's Charter shall be considered as having interest in such contract.

#### 10. 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 fifty percent (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.

#### 11. Meeting via telephone or in other forms

A meeting of the Board of Directors may be organized in form of discussions among the members of the Board of Directors when 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 effective directly through telephones or other communications or through the combination of various methods. Members of the Board of Directors are considered to be present at a meeting when participating according to the conducting method of such meeting of the Board of Directors.

The venue of a meeting of the Board of Directors is determined according to the location where the majority of members attend in person. If it is not possible to determine meeting venue according to the majority of in-person attendees, the location, where the chairperson attends, is the meeting venue.

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

#### 12. Written resolutions

Written resolutions may 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.

13. Legality of actions

Every action taken under a decision of the Board of Directors or any of its sub-committees or by any person in their capacity as member of such sub-committee shall be considered legally valid even though the process of electing or appointing members of the sub-committees or of the Board of Directors may be erroneous.

**Article 18. Minutes of a meeting of the Board of Directors**

1. Minutes of all meetings of the Board of Directors shall be taken in the form of written documents and may also be recorded or stored in other electronic forms. The minutes shall contain these following contents:

- a) The enterprise's name, Office address, identification number;
- b) Time and venue of the meeting;
- c) Agenda and contents of the meeting;
- d) Full name of each member attending the meeting or person authorized to attend the meeting and method of attending; full names of members not attending the meeting and reasons for not attending;
- e) Issues discussed and voted in the meeting;
- f) Summary of opinions of each member attending the meeting;
- g) Voting results indicating members voting to approve, disapprove and abstain;
- h) Resolution and ratio of approval votes;
- i) Full names and signatures of the meeting chairperson and secretary, except the case specified in clause 2 of this Article.

2. In case the meeting chairperson and minutes taker refuse to sign the meeting minutes, such minutes shall be still valid if it is signed by all remaining members of the Board of Directors who attend the meeting and contains sufficient information as specified at points a, b, c, d, e, f, g, h and i in clause 1 of this Article.

3. The meeting chairperson, secretary, and persons who sign the minutes shall be jointly liable for the trustfulness and accuracy of the minutes of meetings of the Board of Directors.

4. Minutes of meetings of the Board of Directors and documents used in the meetings shall be kept at SABECO's head office.

5. 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 shall be considered as true evidence of the activities carried out at such meetings except when there appear objections to the contents of the minutes within ten (10) days as from the time they are sent out. The minutes shall be made in Vietnamese and can be made in English language and signed by the chairperson and secretary of the meeting. In case of differences in the contents of the minutes in Vietnamese and English, the contents in the Vietnamese version of the minutes shall be prevailed.

## **CHAPTER V**

### **REPORTING AND DISCLOSURE OF INTERESTS**

#### **Article 19. Report on activities of the Board of Directors at the annual meeting of the General Meeting of Shareholders**

Report on activities of the Board of Directors shall be submit to the General Meeting of Shareholders according to point c clause 3 Article 139 of the Law on Enterprise, SABECO's Charter and shall contain the following contents:

1. Remuneration of the Board of Directors in accordance with clause 3 Article 163 of the Law on Enterprises and SABECO's Charter.
2. A summary of the meetings of the Board of Directors and decisions of the Board of Directors.
3. A report on the transactions between SABECO/its subsidiaries and companies with over fifty percent (50%) or more of charter capital controlled by SABECO and members of the Board of Directors or their related parties; transactions between SABECO and companies in which members of the Board of Directors are founding members or enterprise managers within the latest 03 years prior to the transaction time.
4. Activities of independent members of the Board of Directors and independent members' evaluation of activities of the Board of Directors.
5. Activities of the Audit Committee.
6. Activities of other subcommittees under the Board of Directors (if any).
7. Results of monitoring the General Director.
8. Results of monitoring enterprise's other executives.
9. Future plans.

#### **Article 20. Disclosure of related interests**

1. Members of the Board of Directors shall submit a conflict-of-interest information (if any), in a form as approved by the Board of Directors (if any), to the Board of Directors on an annual basis.

2. The information mentioned in clause 1 of this Article shall be declared within seven (07) working days from the occurrence date of related interests; any



revision shall be informed to SABECO within seven (07) working days from its occurrence date.

3. Members of the Board of Directors who, in their own capacity or on behalf of others, perform work in any forms within the scope of business operations of SABECO, shall explain the nature and content of that work to the Board of Directors, and may only perform this work after obtaining approval from the majority of the remaining members of the Board of Directors; if they perform the work without reporting to or getting approval from the Board of Directors, all incomes earned from that work shall belong to SABECO.

4. A member of the Board of Directors who directly or indirectly, benefits from a contract or transaction already signed or planned to be signed with SABECO shall 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 interest at the next meeting of the Board of Directors held after such member becomes aware of his/her interests in the relevant transaction or contract.

## **CHAPTER VI**

### **RELATIONSHIPS OF THE BOARD OF DIRECTORS**

#### **Article 21. Relationship between members of the Board of Directors**

1. The relationships between members of the Board of Directors are cooperation. Members of the Board of Directors are responsible for informing each other of the issues that occur during the performance of their assigned tasks.

2. During performance of their tasks, the member in charge shall coordinate operations of other members if they are relevant to his/her tasks. In case of disagreements among members of the Board of Directors, the member in charge shall submit a report to the Chairman of the Board of Directors for consideration or hold a meeting of members of the Board of Directors in accordance with the law and SABECO's Charter.

3. In case of reassignment among members of the Board of Directors, they shall hand over relevant tasks and documents. The handover shall be recorded in writing and reported to the Chairman of the Board of Directors.

#### **Article 22. Relationship with General Director**

The Board of Directors shall supervise and direct General Director to implement resolutions, decisions, and/or any other instruction in accordance with SABECO's Charter and Internal Regulations on Corporate Governance.

#### **Article 23. Relationship with the Audit Committee**

The relationship between the Board of Directors and the Audit Committee

is cooperation. The Board of Directors shall work with the Audit Committee on independence principles; cooperate and assist one another in performance of their tasks.

## **CHAPTER VII IMPLEMENTATION PROVISION**

### **Article 24. Effective date**

Operation regulation of the Board of Directors of Saigon Beer – Alcohol – Beverage Corporation comprising seven (07) chapters, twenty-four (24) articles is approved by the General Meeting of Shareholders and takes effect from April 28<sup>th</sup>, 2021.

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN**



**Koh Poh Tiong**