

**REGULATION FOR THE ADDITIONAL ELECTION
OF MEMBER IN THE BOARD OF DIRECTORS
the term of 2016-2020
TRAPHACO JSC**

Pursuant to:

- The Enterprise Law No. 68/2014/QH13 by the 11th National Assembly of the Socialist Republic of Vietnam dated 26/11/2014;
- The Corporate Charter of TRAPHACO JSC;
- The Regulation on Corporate Governance, Traphaco JSC;
- The Resolution No. 17/2019/NQ-HĐQT dated Aug 06th, 2019 of the Board of Directors on the agenda of the extraordinary General Meeting of Shareholders in 2019.

Board of Directors (Traphaco JSC) issued the regulation on electing additional members of the Board of Directors for the term 2016-2020 at the extraordinary General Meeting of Shareholders in 2019 with the following main contents:

Article 1: Election content

The General Meeting of Shareholders will elect 01 additional member to the Board of Directors for the term 2016 – 2020.

Article 2: Election method

- The voting of 01 additional member to the Board of Directors for the term 2016-2020 is carried out with secret ballot by the method of cumulative voting;
- Each shareholder has a total number of votes corresponding to the total number of voting shares multiplied by the number of elected members;
- Shareholders have the right to use their total number of votes for one candidate, or several candidates with the number of votes for each candidate is not required to be equal, or just use a portion of the total number of votes for one or more candidates, the remaining votes may not vote for any candidate. The total number of votes for the candidates must not exceed the total number of votes of shareholders / representatives of shareholders.

Article 3: Ballot for electing BoD members and its invalid cases

- *Ballot for electing BoD member and its fill-in.*
- Shareholders/representatives of shareholders are issued the ballot for electing BoD member;

- The ballot is uniformly printed, with the total number of votes according to the attendance code, issued by the Organizing Committee with the seal of Traphaco JSC.
- On each ballot with the attendance code, the total number of votes corresponding to the total number of voting shares of each shareholder/representative of shareholder multiplied by the number of elected members.
- In case that new candidates are qualified and approved by the General Assembly of Shareholders out of the list already printed in the ballot, shareholders / representatives of shareholders write down the name of the new candidate in the ballot for the election.
- Shareholders / representatives of shareholders, when being hand-in the ballot, must double check the number of shares and the total number of votes written on the ballot, errors, if any, must be notified immediately at the time of receipt of the ballot;
- Shareholders/representatives of shareholders can choose up to 01 candidate on the ballot for electing BoD member;
- In case shareholder makes a mistake, he/she may request the Election Committee for a replacement ballot;
- Shareholders/representatives of shareholders must sign the ballot before putting it in the ballot box;
- The ballot will be put in the sealed ballot box prior to the vote count.

- ***Guidance for the ballot fill-in***

- If agreeing to elect a candidate, shareholder/representative of shareholder shall write his/her desired number of votes in the column "Number of votes" at the row corresponding to the name of the candidate.
- If not agreeing to elect any candidate, shareholder/representative of shareholder shall write the number "0" (zero) in the column "Number of votes" at the row corresponding to the name of the candidate (or left blank).
- The total number of votes for the candidates must not exceed the total votes of the shareholders/representatives of shareholders (= the number of voting shares x the number of elected members).

- ***The invalid ballot***

- The ballot does not follow the standard form provided by the Company, without the seal of the Company;
- The ballot has been erased, amended, additional writing or fill-in of incorrect names of candidates, not included in the list of candidates approved by the General Assembly of Shareholders before voting;
- The ballot has the total number of votes for candidates in excess of the total number of votes of shareholders / representatives of shareholders;
- The ballot electing for more than the number of elected members as stipulated in Article 1 of this Regulation and approved by the General Assembly of Shareholders;
- The ballot does not vote for any candidate.
- The ballot has no signature of shareholders / representatives of shareholders.

Article 4: Vote-counting method:

The counting shall be conducted by the Election Committee nominated by the Chair of the Meeting and approved by the General Assembly of Shareholders.

- ***Elections Committee:***

- The Election Committee shall:
 - + Present the Regulation for the Additional Election and ask for the General Assembly of Shareholders' approval;
 - + Guide electing method for shareholders / representatives of shareholders;
 - + Hand out the ballot;
 - + Conduct the counting of votes;
 - + Keep a record and announce the results of vote counting to the General Assembly.

A member of the Election Committee is not a nominated and self-nominated candidate for election to BoD.

- ***Rules of voting and counting of votes***

- The Election Committee shall examine the ballot box in front of shareholders/representatives of shareholders;
- Voting begins when the handing out of ballots and election guides are completed;
- The time for voting ends after the Head of Election Committee declares the end of voting time (the Head of Election Committee reminds shareholders to perform election duty and asks 3 times before the end of voting).
- The counting of votes shall be made immediately after the voting is closed;
- The result of vote-counting shall be made in writing and announced by the Head of Election Committee to the General Assembly.

Article 5: Principles of Election & Winning

- ***Election Principle:*** Follow the principle of cumulative vote.

- ***Winning principle:***

- The winning member to BoD is determined by the number of votes cast from high to low, starting from the candidate with the highest number of votes till the sufficient, approved number of members.
- In case that the election result has two or more candidates with the same number of votes for the last member of the BoD, candidates with the same number of votes will be re-elected until sufficient, approved members.
- The election are conducted by cumulative vote with the number of elected members corresponding to the number of missing members.
- If the re-election has not yet reached the results, the General Assembly of Shareholders may vote to vacate BoD member and to have an additional election in next General Meeting of Shareholders.

Article 6: Effectiveness

This Regulation takes effect immediately upon approval by the General Assembly of Shareholders. All complaints about the election result shall be considered only at the General

Assembly. If there is a complaint, the Election Committee will check and ask for the General Assembly decision.

Recipients:

- *eGMS 2019*
- *BoD, BoM, BoS;*
- *Archive.*

**B/O. THE BOARD OF DIRECTORS
CHAIRWOMAN**

(signed)

MSc. Vu Thi Thuan

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