

Hochiminh City, May 28<sup>th</sup>, 2020

## **REGULATION OF VOTING MEMBER OF BOARD OF DIRECTORS OF PHU NHUAN JEWELRY JOINT STOCK COMPANY**

### **1. PURSUANT TO:**

- Enterprise Law No. 68/2014/QH13 passed by the National Assembly on November 26<sup>th</sup>, 2014;
- Decree No. 71/2017/ND-CP dated June 6<sup>th</sup>, 2017 issued by the Government providing guidelines on corporate governance of public companies;
- Charter of organization and operation of Phu Nuan Jewelry Joint Stock Company.

### **2. OBJECTIVES:**

- Ensure the compliance with laws and common practices in Vietnam;
- Ensure the principle of transparency, democracy and legal benefit of all shareholders;
- Ensure the organizational concentration and stability of the General Meeting of Shareholders.

### **3. SUBJECTS HAVING RIGHT FOR VOTING:**

Shareholder who owns shares or representative of shareholder (according to the list of PNJ shareholders finalized on February 25<sup>th</sup>, 2020) presenting at the 2020 General Meeting of Shareholders shall have the right for voting

### **4. NUMBER OF MEMBERS AND TERM TO BE VOTED:**

- Board of Directors (BOD): 03 members, at least two (02) independent members.
- Term of BOD: 05 years (2020 – 2025).

### **5. REGULATION OF BOD VOTING:**

#### **5.1. Voting method:**

- The voting for members of BOD is conducted by runoff voting as stated in Clause 3, Article 144 of Enterprise Law No. 68/2014/QH13.
- List of candidates for BOD is made under the principle: Base on the nomination, self-nomination applications of shareholders to choose candidates qualified with conditions stated in the Company's Charter; Regulation of nominating, self-nominating members of BOD and upon proposal of the in-power BOD in case the number of candidates is less than necessary.
- Each shareholder or their representative shall be provided with 01 voting ballot for the number of owned or authorized shares.
- Shareholders or their representatives choose **03 members** among candidates for BOD, **mark (X or ✓) into the blank cell at the end of the chosen candidate's name and/or**

**strike through the unchosen candidates' name.**

- Each shareholder or their representative has a total number of votes equal to the total number of shares plus the number of BOD members to be voted.

**Total number of votes of each shareholder = total number of shares x the number of BOD members to be voted.**

**Detailed: Total number of votes of each shareholder = total number of shares x 3**

- The total number of votes of each shareholder or representative will be equally cumulated for his/her chosen candidates.
- In case of making any mistake while filling in the Voting ballot for BOD and having not put it into the ballot box yet, shareholders or representatives may contact the Vote Counting Committee to change a new one.

❖ **Example of runoff voting principle (by equal cumulative voting method)**

If number of shares owned/authorized is 1,000 units, total votes of shareholder when voting for BOD is: 1,000 shares x 3 people = 3,000 votes.

Shareholders may vote for their chosen candidates by following ways:

**Example No.1: Shareholder would like to equally split votes for all 03 candidates:**

No.	List of candidates for BOD	
01	Candidate 1	X
02	Candidate 2	X
03	Candidate 3	X
04	<del>Candidate 4</del>	

*If shareholders vote for 03 BOD candidates as in above table, the number of votes for each candidate is 1,000 units per candidate.*

**Example No.2: Shareholder would like to equally split votes for all 03 candidates:**

No.	List of candidates for BOD	
01	Candidate 1	X
02	Candidate 2	X
03	Candidate 3	X
04	<del>Candidate 4</del>	

*If shareholders vote for 01 BOD candidate as in above table, the number of votes for each candidate is 3,000 units.*

**5.2. Procedure and voting conduct:**

**a. Voting ballot:**

- Ballot form:
  - Voting ballot for BOD/SB is printed on white paper with PNJ's stamp on top.
- Content of voting ballot:
  - Part 1: Show the Attendance registration code, Total number of shares owned or authorized, Total number of votes.
  - Part 2: List of candidates for BOD.



- Important notices:
  - + Valid voting ballot must: follow the printed template of PNJ with its stamp on top, not be erased or amended.
  - + Invalid voting ballot:
    - Not follow the template of PNJ, not issued by PNJ or without PNJ's stamp on top;
    - Exceeding the necessary number of candidates;
    - Write more names into the list of candidates or other information, signs...;
    - Erased, amended;
    - Not in good shape.
  - + Case of regarding as absence from voting:
    - If attending shareholders do not vote, their number of votes will be considered as absent from voting.

**b. The Vote Counting Committee, principles of voting and counting:**

- The Vote Counting Committee: includes 03 members nominated by the Chairwoman and approved by the General Meeting of Shareholders, shall be responsible for:
  - Propose the voting regulation for the approval of the General Meeting;
  - Instruct voting method and conduct the election;
  - Vote counting;
  - Declare the voting result at the General Meeting.

*Note: Members of the Vote Counting Committee must not be in the list of nomination and self-nomination for BOD.*

- Principles of voting and counting:
  - The Vote Counting Committee checks the ballot boxes before the beginning of voting procedure under the witness of shareholders.
  - Shareholders put their votes into the ballot boxes;
  - Voting procedure begins when Head of the Vote Counting Committee announces and closes when no more shareholder put their votes into the ballot box;
  - The counting begins right after ballot collecting is completed;
  - The counting result will be recorded in Vote-counting report and declared at the General Meeting by Head of the Vote Counting Committee.

**5.3.Principle of winning the voting for members of the Board of Directors:**

- The elected members of the Board of Directors members shall be determined according to the highest number of votes.
- In cases there are more voted candidates than the number approved by the AGM due to having equal number of votes, the voting will be re-conducted to choose among such candidates.

**5.4. Making and announcing minute of counting votes:**

- After counting votes, the Vote Counting Committee must make a vote counting minute. The content of the minute shall include: The total number of valid votes, the total number of



invalid votes; total votes t and the percentage of votes on total number of eligible shares of each candidate for BOD;

- The vote counting minute must be declared at the General Assembly of Shareholders.

**6. COMPLAINTS REGARDING VOTING AND VOTING:**

Shall be settled by the Chairwoman and recorded in the 2020 AGM minutes.

**7. EFFECTIVENESS:**

- This voting rule is read publicly at the General Assembly of Shareholders and adopted by shareholders before conducting the voting.
- Once being approved by the General Meeting of Shareholders with the ratio of 51% or more of the total number of voting shares of all shareholders attending the meeting, this regulation will become effective and binding upon all shareholders.

**ON BEHALF OF BOARD OF DIRECTORS**

**CHAIRWOMAN**



**CAO THI NGOC DUNG**