

REGULATION ON VOTING

MEMBERS OF BOARD OF DIRECTORS/SUPERVISORY BOARD

OF PHU NHUAN JEWELRY JOINT STOCK COMPANY

1. BASED ON:

- Enterprise Law No. 68/2014/QH13 passed by the National Assembly on November 26, 2014;
- Circular No. 121/2012/TT-BTC dated 26 July 2012 issued by the Ministry of Finance providing regulations on corporate governance at public companies;
- Charter of organization and operation of Phu Nuan Jewelry Joint Stock Company.

2. PURPOSES:

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- 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 TO VOTING:

Shareholder who owns shares or representative of shareholder shall have the right to vote (according to the list of PNJ shareholders finalized on 04 April 2017) when attend the 2017 General Meeting of Shareholders.

4. NUMBER OF MEMBERS AND TERM NEED TO BE ELECTED:

- Board of Directors (BOD): 05 members.
- Supervisory Board (SB): 02 members.
- Term of BOD/SB: 05 years (2017 – 2022).

5. RULES OF VOTING BOD/SB:

5.1. *Voting method:*

- The election of members of BOD/SB is conducted by runoff voting as stated in Clause 3, Article 144 of Enterprise Law No. 68/2014/QH13.
- List of candidates for BOD/SB is made under the principle: Basing on the nomination, self-nomination applications of shareholders, qualified candidates will be chosen to meet with conditions stated in the Company's Charter; Regulation of nomination, self-nominating to members of BOD/SB and upon proposal of the existing BOD/SB in case the number of candidates is less than necessary.
- Each shareholder or representative shall be provided with 01 voting ballot for BOD and 01 voting ballot for SB for the number of owned or authorized shares.
- Shareholders or representatives choose **01 to 05 members among candidates for BOD**

and from 01 to 02 members among candidates for SB, mark (X) into the blank cell at the end of the chosen candidate's name and strike through the unchosen candidate's full name.

- Each shareholder or representative has total number of votes equal to the total number of shares multiplied by the number of members of BOD/SB to be voted.

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

Details as follows:

- ✓ **For the election of BOD:**

Total number of votes of each shareholder = total number of shares x 5

- ✓ **For the election of SB:**

Total number of votes of each shareholder = total number of shares x 2

- 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 ballots for BOD/SB and having not put them into the ballot box yet, shareholders or representatives may contact the Vote Counting Committee to change the 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 shareholders when voting for BOD 1,000 shares x 5 people = 5,000 votes.

- If electing 01 person → Number of votes for this person is: $(1,000 \times 5) / 1 = 5,000$
- If electing 2 people → Number of votes for each person is: $(1,000 \times 5) / 2 = 2,500$
- If electing 3 people → Number of votes for each person is: $(1,000 \times 5) / 3 = 1,666$
- If electing 4 people → Number of votes for each person is: $(1,000 \times 5) / 4 = 1,250$
- If electing 5 people → Number of votes for each person is: $(1,000 \times 5) / 5 = 1,000$

Shareholders may vote for the chosen candidates by below methods:

| No. | List of candidates for BOD | |
|-----|----------------------------|---|
| 01 | Candidate 1 | X |
| 02 | Candidate 2 | X |
| 03 | Candidate 3 | X |
| 04 | Candidate 4 | X |
| 05 | Candidate 5 | X |
| 06 | Candidate 6 | |
| 07 | Candidate 7 | |

- ⇒ If shareholders vote for 05 candidates of BOD as above table, the number of votes for each candidate is 1,000 units.

5.2. Procedure and voting method:

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: Including the attendance registration code, Total number of shares owned or authorized Total number of votes.
 - Part 2: List of candidates for BOD/SB.
- 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;
 - Not strike through full name of the unchosen candidates;
 - Vote more candidates than needed;
 - Is written more names into the list of candidates or other information, signs....;
 - Being erased, amended;
 - Not in good shape.
 - + Non-voting case:
 - If attending shareholders do not vote, such number of votes will be considered as non-voting.

b. The Vote Counting Committee, voting and counting principles

- The Vote Counting Committee: includes 03 members nominated by the Chairman 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 election 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/SB..

- Voting and counting principles:
 - The Vote Counting Committee checks the ballot boxes before the beginning of voting procedure under the witness of shareholders.
 - Shareholders openly 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 the end of ballot collecting;
 - The counting result will be recorded by Vote-counting Minute and declared at the General Meeting by Head of the Vote Counting Committee.

5.3. Principle of choosing the winners of BOD/SB election

- The winner of BOD/SB member election is decided by the highest votes counting from high to low, starting from the candidate of highest votes until choosing enough members for BOD, SB approved by the General Meeting.
- In case the number of election winners exceeds limit as many candidates have equal number of

approval votes, the General Meeting will reelect among candidates of equal votes.

5.4. Compose and declare Minute of vote counting:

- After checking ballots, the Vote Counting Committee will compose Minute of vote counting whose contents include: Total valid ballots, invalid ballots, number of votes and each candidate's percentage of votes in total valid voting shares.
- The whole content of the Minute of vote counting must be declared at the General Meeting.

6. COMPLAINTS ON VOTING AND COUNTING

To be solved by the Chair of the Meeting and written in the minute of the 2016 General Meeting of Shareholders.

7. IMPLEMENTATION EFFECT

- This regulation of voting is openly announced at the General Meeting for collecting shareholders' opinions before conducting the election.
- This regulation of voting will become effective when being approved by at least 51% of all attendants to the General Meeting and enforceable for all shareholders.

**ON BE HALD OF BOARD OF DIRECTORS
CHAIRWOMAN**

(Signed and stamped)

CAO THI NGOC DUNG