

[Draft]

REGULATION ON ELECTION OF THE ADDITIONAL MEMBER OF THE BOARD OF DIRECTORS AT THE FY2014 ANNUAL GENERAL MEETING OF SHAREHOLDERS HOCHIMINH CITY SECURITIES CORPORATION

Pursuant to:

- The Law on Enterprises No.60/2005/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on November 29th, 2005 and the documents guiding the implementation of Law on Enterprise;
- The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on June 29th, 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on November 24th, 2010 and some documents guiding the implementation of Securities Law;
- The ninth amendment of HSC Charter according to the AGM Resolution No.01/2013/NQ-ĐHĐCĐ dated April 26th, 2013;

The election of additional member of the Board of Directors (*hereinafter referred to as “the BOD”*) for the term III (2011- 2015) at the Annual General Meeting of Shareholders (*hereinafter referred to as the “Meeting” or “AGM”*) of Ho Chi Minh City Securities Corporation (*hereinafter referred to as “the Company”*) shall be carried out the following regulations:

Article 1: Principle of election and eligible voters:

1. Principle of election:
 - a. The election is conducting in accordance with the applicable laws, Company Charter and this regulation to ensure that the election is democracy and gives the legal interests to all shareholders.
 - b. The election is implemented publically in manner of secret ballot.
2. Eligible voters:

Being shareholders holding the voting shares or authorized representatives with the voting right attending the AGM (*the list of shareholders on the record date - March, 5th 2015*).

Article 2: Term, number and conditions acting as a member of the BOD:

1. The term of the additional member of BOD: The term of the additional member of BOD is effective from the voting date to the last day of the term III (2011 - 2015).

2. The number of additional members of the Board of Directors: 01 member
3. Standards and conditions for acting as a member of the Board of Directors have to be applied in accordance with Law on Enterprise and Company Charter, as follows:
 - a. Have full capacity for civil acts, and not fall within the category of persons prohibited from managing an enterprise pursuant to the Law on Enterprises.
 - b. Be an individual shareholder who owns at least five (05) per cent of the total number of ordinary shares; or be a person who has professional expertise and experience in business management or experience in the securities, banking and financial sectors.
 - c. Where the State owns a total number of shares worth more than fifty (50) per cent of the charter capital of the Company, a member of the Board of Directors may not be a related person of a manager or a person with the authority to appoint managers of the parent company.
 - d. Not be the Chief Executive Officer, a member of the Board of Directors or a member of the members' council of another securities company; not act concurrently as a member of the boards of directors of more than five (05) other companies (in the case of a listed company).
 - e. Not have been one member of the Board of Directors or legal representative of a company which was bankrupt or was prohibited from operation due to serious breaches of the law.

Article 3: Criteria for self-nomination and nomination to BOD:

1. Before and during a meeting of the AGM, shareholders have the right to form a group jointly to to self- nomination and nominate [a candidate(s)] to BOD.
2. The number of candidates: Minimum of one candidate
3. The self-nomination and nomination is implemented in accordance with as the following regulations:
4. A shareholder or group of shareholders holding at least five (05) per cent of the total ordinary shares for a consecutive period of six (06) months can accumulate all of the votes for such candidate(s).
 - a. A shareholder or group of shareholders holding from five (05) per cent of the total ordinary shares for a consecutive period of six (06) months or more has to right to self-nominate to the Board of Directors.
 - b. A shareholder or group of shareholders holding from five (05) per cent to under ten (10) per cent of the total voting shares may nominate a maximum of one (01) candidate to the Board of Directors;

- c. A shareholder or group of shareholders holding from ten (10) per cent to under thirty (30) per cent of the total voting shares may nominate a maximum of two (02) candidates to the Board of Directors;
 - d. A shareholder or group of shareholders holding from thirty (30) per cent to under fifty (50) per cent of the total voting shares may nominate a maximum of three (03) candidates to the Board of Directors;
 - e. A shareholder or group of shareholders holding from fifty (50) per cent to under sixty five (65) per cent of the total voting shares may nominate a maximum of four (04) candidates to the Board of Directors;
 - f. A shareholder or group of shareholders holding from sixty five (65) per cent or more of the total voting shares may nominate a sufficient number of candidates to the Board of Directors.
5. Where the number of candidates nominated by a shareholder or a group of shareholders is lower than the number of candidates that it is entitled to nominate, the remaining candidates shall be nominated by the Board of Directors. The mechanism whereby the Board of Directors in office nominates candidates to the Board of Directors must be clearly published and approved by the General Meeting of Shareholders before conducting nomination.
6. Nominee Application Form
- a. The Nominee Application Form of each BOD Nominee shall consist of:
 - Letter of self-nomination to BOD (*Form 1*)/ Letter of nomination to BOD (*Form 2*);
 - Curriculum vitae of the candidates (*Form CV*);
 - Notarized copy:
 - + ID/Passport;
 - + Permanent Residence Registration/ Temporary Residence Registration;
 - + Educational/Training certificates.
 - The proxy (*if shareholder authorize another person to nominate*);
 - Notice of forming a group of shareholders (*Form 3*);
 - b. Nominee Application Form to be sent directly to HSC Organization Committee **before 4:30pm on April 6th 2015** to the following address:

**HSC Organization Committee of FY 2014 Annual General Meeting of Shareholders –
HoChiMinh City Securities Corporation – Level 5 & 6, AB Tower, 76 Lê Lai, District 1,
HoChiMinh City**

All Nominee Application Forms received after deadline of submission will not be considered.

- d. Only Nominee Application Form to be met all conditions acting as a member of the BOD will be disclosed in the list of candidates at the AGM.

Attached to Appendix I

- ***Form 1: Letter of self-nomination to BOD;***
- ***Form 2: Letter of nomination to BOD;***
- ***Form 3: Mẫu Notice of forming a group of shareholders***
- ***Curriculum Vitae of the candidate***

Article 4: How to vote:

1. Voting to elect members of the BOD must be implemented by the method of cumulative voting, whereby each shareholder or authorized representative with the voting right shall have as its total number of votes the total number of shares it owns multiplied by the number of members to be elected to the BOD.
2. Each shareholder shall have the right to accumulate **all of his/her votes** for one candidate or **some of his/her votes** for one candidate. However, shareholder or authorized representative with the voting right only elect maximum one candidate among the list of candidates.

For example:

Shareholder holding 100 shares has 100 voting shares. This shareholder can accumulate 100 voting shares for one candidate or less than 100 voting shares for one candidate.

Article 5: Election process:

1. The voting card:

The Company shall issue a voting card to each shareholder or its authorized representative with the voting right, specifying the registration number, full name of the shareholder or full name of the authorized representative, and the number of votes of such shareholder the total number of shares it owns multiplied by the number of members to be elected to the BOD.

2. The regulations of the voting card:
 - a. The valid voting card:
 - The voting cards to be issued by HSC Organization Committee;
 - The voting cards without torn, erased, scratched or corrected marks and not containing additional information;
 - The voting card having the total voting shares for each candidate is equal or less than the total voting shares of each shareholder.
 - b. The spoiled voting card:
 - The voting cards that do not comply with the sample issued by HSC Organizing Committee;
 - The voting cards with torn, erased, scratched or corrected marks and to be filled more nominees who are not in the list of candidates approved by AGM before voting;
 - The voting cards containing additional information and symbols;
 - The voting card having the total voting shares for each candidate is more than the total voting shares of each shareholder.
 - The voting card to be sent to Vote-counting Committee when the election is closed and the voting box is sealed.

The spoiled voting cards do not count in the voting result.

- c. How to write the voting card:
 - In the case of voting “for” for candidate, shareholder shall write the number of votes in “Number of votes” column corresponding with the name of the candidate whom they elect.
 - In the case of voting “against” for candidate, shareholder shall write the number zero “0” or tick “X” mark in “Number of votes” column corresponding with the name of the candidate whom they do not elect.
 - Shareholders/authorized representatives with the voting right could accumulate all of his/her votes for one candidate or some candidates. It is facultative for the shareholder to divide his/her votes into the same quantity for each candidate, or shareholder only elect one candidate or more candidates with some of his/her votes, the remaining votes could do not vote for any candidate.
 - Shareholders/authorized representatives who want to divide his/her votes into the

same quantity for each candidate shall tick (“X” mark) the box “the same number of votes for each candidate”.

The total number of votes that one shareholder could vote the candidates is not higher than the total number of votes that one shareholder hold.

In the case of writing wrong in the voting card, if the shareholder has still not sent it to the vote box, the shareholder is changed another voting card by the Chief of the vote-counting Committee to ensure the shareholder’s rights.

3. Principle of the vote-casting process:
 - a. The vote box shall be checked by the vote-counting Committee and supervised by all shareholders.
 - b. The election will be started when the Chief of the vote-counting Committee has signal and election will be closed as soon as the last member or proxy present in the meeting room cast his/her votes or after thirty (30) minutes from the beginning of the voting process depending on the action comes first. Shareholders/authorized representatives with the voting right are carried out the voting process. After election is closed, the vote box shall be sealed by the vote-counting Committee and supervised by all shareholders.
 - c. The vote-counting process will be worked after the election will be closed and the vote box will be sealed.
4. Principle of the vote-counting process:
 - a. The Vote-counting Committee is implemented the vote-counting process stipulated as followings:
 - The Vote-counting Committee has a private workplace. One representative of shareholders shall monitor the vote-counting process.
 - The Vote-counting Committee could use the electronic measures as well as receive to assistant from some technicians in the vote-counting process.
 - The voting cards’ eligibility check.
 - Each voting card is checked and recorded the voting result.
 - All voting cards are sealed and sent to the Chairman of the AGM.
 - b. Prepare and disclosure the Minutes of the vote-counting:
 - After counting the votes, the Vote-counting Committee prepare the Minutes of the vote-counting
 - The minutes of vote-counting shall contain the following principal items:

- + Time and venue;
- + The composition of the Vote-counting Committee;
- + Number of shareholders with total numbers of votes having participated in the AGM;
- + Number of shareholders with total numbers of votes having participated in the vote;
- + Number and percentage of the valid votes and number and percentage of the invalid votes;
- + Number and percentage of the votes for each candidate;
- + Full name and signature of all members of the Vote-counting Committee and shareholder who supervised the vote-counting in the minutes of the vote-counting.

Article 6. Principles of the winner

1. Persons who are elected as members of the BOD shall be determined on the basis of the number of votes from the candidate with the highest number to the candidate with the lower number until the sufficient number of members stipulated in this Charter is reached.
2. Where two (02) or more candidates have the same number of votes, the AGM shall conduct re-election among the candidates with the same number of votes or carry out the selection in accordance with the criteria in the election regulations. The winner is a person who has the higher number of votes.

Article 7. Claim in the election results and the vote counting

1. In the case of arising claim or requesting double check in the election results after announcement of election results from the shareholders, the shareholders' representative will check the vote-counting. If there is something wrong or cheat in the election results, the Vote – counting Committee is responsible for this.
2. The Chairman of the meeting shall preside over the resolution of the claim in the election and the election results and it is recorded in the AGM minutes.

Article 8. Effectiveness of these Regulations

These Regulations will take effect immediately upon being approved by the AGM to be held on April 16th 2015.

**For and on behalf of the Board of Directors
CHAIRMAN**