

**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

Lao Securities Commission  
Lao Securities Commission Office

No. 0001/LSCO  
Vientiane Capital, 30 April 2019

## **Guidelines on Shareholder Meeting**

- Pursuant to the Law on Securities Exchange, No. 21/NA, dated December 10, 2012
- Pursuant to the Law on Enterprises (revised) No. 46/NA, dated December 26, 2019
- Based on the organization and activities of the Lao Securities Commission, No. 013, dated December 17, 2017.

The Director of the Lao Securities Commission issued the guideline as follows:

### **Chapter 1** **General Provisions**

#### **Article 1: Purpose**

This guideline specifies principles, approaches and procedures on preparations, operations and actions to be taken after shareholder meeting of the stock trading and listed company to ensure a consistency in the implementation, understanding of shareholders and other stakeholders with the aim to protect the rights and best interests of the shareholders.

#### **Article 2 (revised): Explanatory Notes**

The terminologies used in this guideline have the following meaning:

1. **Company:** means a stock trading and listed company;
2. **Record Date:** means the date of recording the name list of shareholders as defined by the board of directors;
3. **Serial Number:** means the number specified in the account book of the shareholders of the company issued by the Lao Stock Exchange (LSX);
4. **Barcode:** means a symbol used to represent any information stored in the database.

#### **Article 3 (revised): Principle in organizing a shareholder meeting**

The organization of a shareholder meeting must follow the following main principle:

1. Protection of the rights and best interests of shareholders;

2. Accessibility to comprehensive and correct information that can be used broadly and timely;
3. Equality of opportunities in expressing opinions;
4. Transparency and accountability;
5. Compliance with the laws and relevance regulations.

#### **Article 4 (revised): Scope**

This guideline is applicable for Lao Stock Exchange, the company, shareholders and other relevant stakeholders related to shareholder meeting.

## **Chapter 2**

### **Preparation of the shareholder meeting**

#### **Article 5: Preparation of the shareholder meeting**

The company prepares the shareholder meeting with the following details:

1. Agenda of the shareholder meeting;
2. Invitation letters for those to participate in the meeting;
3. Identify the closing date of account book of the shareholders;
4. Documents to be presented in the shareholder meeting;
5. Disclosure of the invitation letters to the shareholder meeting and annexes to the invitation letters;
6. Date, time and venue of the meeting;
7. Human resources;
8. Electronic means to be used in the shareholder meeting.

The content prepared for the meeting as specified in this article must be approved by the board of directors.

#### **Article 6: Preparation of the Agenda of the shareholder meeting**

The company is responsible to prepare the agenda of the shareholder meeting to be presented in the Board of Directors (BoD) for approval. The agenda must be within the authority and duty of the meeting board to consider.

Each item of the agenda must be accompanied by a brief explanation on background, opinion of the Board of Directors (BoD) and number of board members needed to approve each agenda item.

#### **Article 7 (new): Agenda of the shareholder meeting**

The agenda items to be discussed in the shareholder meeting to get approved, must at least contain the following items:

1. Meeting minutes of the last meeting;
2. Report on the annual business performance and business action plans for the following year;
3. Business expansion plan for medium and long term and the strategy of the company;
4. Annual financial report;
5. Changes in principles, accounting policies and financial reporting standard being used;
6. Appointment, transferring or removal from duty positions of the members of the BoD and Directors;
7. Remuneration of BoD members, members of the BoD and managing directors;
8. Appointment or cancellation of audit companies or auditing service charges;
9. Arrangement of profits, expenses or dividends not to be paid;
10. Items related to the content as specified in sperate regulations;
11. Types of share, number of shares divided into categories and the change of the rights in the ownership of each type of share;
12. The changes to the type of the main operational activities;
13. Investment or sell of asset with more than 50% of the company's asset based on the financial report of previous year or for the proportion lower than the ratio as defined in the company's Articles of Association;
14. Rehabilitation or bankruptcy status of the company;
15. Loans which have impacts on financial status and business performance as per provisions provided in the Articles of Association;
16. Other businesses based on the decision of the BoD.

#### **Article 8 (revised): Invitation Letters and its delivery**

Invitation letters to participants to the shareholder meeting consist of the main information as follows:

1. Name and address of the company as inviting body;
2. Date, time and venue of the shareholder meeting including telephone number and focal point person of the company.

Along with the letter, attachments have to be sent to the participants to the shareholder meeting:

1. Agenda of the shareholder meeting;
2. Regulation or guideline about the shareholder meeting for shareholders;
3. Letter of attorney to be completed by the person to be participated on behalf of the shareholder;
4. Documents to be presented in the shareholder meeting;
5. Documents to verify the number of shares;
6. Meeting minutes of the previous shareholder meeting (if any);
7. Historical information of BoD members who are independent committee members to be used as reference for consideration of shareholders in relations to the letter of attorney;
8. Venue maps of the shareholder meeting.

The company must be responsible to deliver the invitation letter to participants to join the meeting including annexes as defined in this article as per the name list in the account book of the shareholders at least 21 days before organizing date of the shareholder meeting in order for the shareholders to have enough time to digest and review relevant documents to be considered in the shareholder meeting.

As for the delivery of the initiation letter including its annexes to the participants, the company can delivery by itself, in person or another option is to hire another individual or entities to deliver on its behalf. The delivery can be done directly, through postal service, received by the shareholders themselves or using other forms of delivery as deemed appropriate. In case the shareholder expresses the intention to come and get letter of invitation by themselves, they can do so but the provisions specified in the letter of invitation must be respected.

#### **Article 9: Identification of the closing date of the account book of shareholder**

The BoD specifies the closing date of the account book of the shareholder in order to specify the rights of the participants to the shareholder meeting, the receipt of the dividends, booking of new shares and other business items related to the company. After BoD complete specifying date of the closing account book of shareholders, the company must inform the LSX at least 10 (ten) official working days before the closing date of the account book of shareholders. LSX must provide the accounting book of shareholders to the company within 5 (five) official working days as from the closing date of the accounting book of shareholder onwards.

#### **Article 10: Documents to be presented to the shareholder meeting**

Documents to be presented to the shareholder meeting must be the ones as specified in the meeting agenda for the corresponding meeting and approval from BoD is needed.

The company must prepare and provide documents as specified in paragraph one of this article accordingly and sufficiently in order for the shareholders to have sufficient information and consideration for voting.

#### **Article 11 (revised): Disclosure of invitations to shareholder meeting**

The company must disclosure letter of invitations of shareholders meeting to general public through an information disclosure system of LSX at least 21 days before the commencement of the meeting. Apart from this, the disclosure can be done through the company's website or via other mass media as deemed appropriate. After the disclosure has been done through the distributing channel as specified in the decision on report and disclosure of information.

## **Article 12: Identification of date, time and venue of shareholder meeting**

The identification of date and time of the meeting must be in line with the timeframe as defined in relevant laws and regulations and the meeting must be organized within 60 days as from the date of closing of the shareholder accounting book. The identification of the meeting schedule should be done appropriately in order to avoid the meeting to be organized very early in the morning or too late in the afternoon and it must be completed within the same day in order to create enabling conditions for participants. The identification of the venue of the shareholder meeting should be done in a way that considers location convenience for the majority of participants.

## **Article 13: Human Resources**

The company must prepare human resources for organizing shareholder meeting as follows:

1. Receptionist;
2. Document checking staff;
3. Registration staff;
4. Master of Ceremony;
5. Secretariat;
6. Staff in-charge of voting and score counting work;
7. Electronic system control technician;
8. Checking committee for the shareholder meeting and voting;
9. Monitoring and Evaluation Committee concerning the shareholder meeting.

## **Article 14: Preparation of Electronic system**

The company must prepare the electronic system to be used in the meeting as follows:

1. Registration system;
2. Voting and score counting system;
3. Internet system and system connection;
4. Meeting equipment such as computers, printer(s), fax machine, copier, sound recorder, camera, video camera and other equipment seen as necessary.

## **Article 15 (revised): Inspecting Committee for shareholder meeting and voting**

The company must appoint a committee to inspect the meeting and voting activities in order to inspect the preparation, the nature of actual meeting and actions taken after the meeting as defined in this guideline. The inspecting committee of the shareholder meeting and voting comprises of three (3) persons, of whom two (2) are from the company that have legal knowledge and other person shall be a representative of small shareholders. The committee is appointed by the president of BoD.

Members of inspecting committee for shareholder meeting and voting must have following criteria:

1. Being a person not taking any position of as the president or vice-president or not being a member of BoD, managing directors of the company or parents, spouses, siblings, children, spouses of children of such person;
2. Being a person who is not nominated as candidate by shareholder meeting to apply for the position of the president or vice-president or not being a member of BoD, managing directors of the company or parents, spouses, siblings, children, spouses of children of such person.

#### **Article 16 (revised): Monitoring and Evaluation Committee on shareholder meeting**

The monitoring and evaluation committee has the duty to monitor and evaluate the status of preparation of the meeting, the organization of the meeting and actions taken after the completion of the meeting as per the checklist based on the provisions of the Lao Securities Commission.

The monitoring and evaluation committee on the shareholder meeting comprises of three (3) persons of whom one (1) person is a representative of Lao Securities Committee, one (1) person representing Lao Stock Exchange and one (1) person representing small shareholders. The committee is appointed by the Director of Lao Securities Commission.

#### **Article 17 (Amended) Shareholder Meeting Attendees**

The shareholder meeting attendees are:

1. Shareholder who has the name on the shareholder's book and proxy who representative of shareholder;
2. Chairman, vice-chairman, board members and directors of the companies,
3. Internal inspection unit of the companies
4. External Audit Company in case of necessary.

#### **Article 18: Assignment of Representatives to participant in the shareholder meeting**

If a shareholder who is entitled to participate in the shareholders meeting cannot participate in the meeting by him/herself, a representative can be assigned to participate in proxy. The assignment of the representative to participate in such meeting can be done in one of three options for each of the following session:

1. The representative to the shareholder meeting can vote in all sessions;
2. The representative to the shareholder meeting can vote in some sessions;
3. The representative to the shareholder meeting can vote only in some subject areas as per letter of attorney as provided and assigned by the shareholders.

### **Chapter 3**

### **Proceedings of the Shareholder Meeting**

#### **Article 19 (revised): Duties of the Chairperson in the Shareholder Meeting**

The BoD president exercises his/her duty as the chairperson in the meeting in case the BoD president cannot participate, the BoD vice president or members of BoD can be assigned to chair the meeting in proxy. The chairperson of the shareholder meeting has the following tasks:

1. Delivery of opening speech;
2. Inform the participants on the agenda and meeting's procedures and rules;
3. Announcement of the number of participants to this meeting including the associated number of share-holding; also he/she shall inform about the number of shareholders who are participating by themselves and number of those who assigned their representatives to participate on their behalf, including associated members of share-holding;
4. Report on the result of the implementation of the resolution of the previous shareholder meeting by indicating the performance made, shortcomings, and solutions to the issues as specified in the previous shareholder meeting. In the meeting there is also a reporting on dividend sharing, in case the company pays dividends in the interim period of the year;
5. Introduce the agenda to the meeting by explaining briefly of the contents of the agenda to be organized, reply to specific questions raised by shareholders (if any) before proposing the participants to vote. Such voting can be done separately for each session;
6. Inform the results to the participants of each voting session including the number of scores required for each session;
7. Delivery of closing speech;
8. Perform other tasks as per assignments.

#### **Article 20: Meeting Procedures**

The company must organize the meeting based on the following procedures:

1. Check documents or evidences to certify the shareholders or representatives who are participating in proxy;
2. Registration;
3. Counting number of participants;
4. Opening of the meeting;
5. Announcement of meeting rules;
6. Proceed the meeting based on the agenda;
7. Voting, counting the score and inform the participants about the voting result of each session;
8. Closing of the shareholder meeting.

#### **Article 21 (revised): Check Documents or Evidences for Verification of Shareholders or Representatives Who Participate in Proxy**

The company must have the preparedness and provide facilitating supports in order to check the correctness of document or evidence for verifying the shareholders or representatives participating in the meeting in proxy.

The company must prepare at least two (2) hours in advance before beginning of the meeting in order to check the correctness of documents or evidence.

Documents or evidence of shareholders or representatives participating in the meeting in proxy include:

1. For individual shareholder:
  - 1.1 Identification cards, family registration books or passports;
  - 1.2 Passports (for foreign investors);
  - 1.3 Letter of Attorney in case there is an assignment of representative to participate in the shareholder meeting, including copies of documents or evidence of the assignor and the assignee.
2. For entities as shareholders
  - 2.1 Enterprise registration or the latest tax identification number;
  - 2.2 Letter of Attorney on behalf of entities;
  - 2.3 Copies of documents or evidence indicating the assignor and assignee.

Documents or evidence to verify the participants who are participating the meeting must be made in Lao or English. In case there is a translation from another language into Lao or English, signature and seal have to be provided on behalf of entities concerned.

#### **Article 22 (revised): Registration**

Registration for participation in the shareholder meeting can be done at the meeting venue on the day of the meeting or it can be done through electronic means in advance of meeting day.

As for the shareholder or the representative in proxy to register and participate in the shareholder meeting, the company should apply serial number and barcode to support the process of data entry into the registration and voting system.

As for the registration through electronic means, regulation of the company has to be applied.

#### **Article 23: Counting the Number of participants**

Inspecting committee for shareholder meeting and voting has the task to monitor and coordinate with the registration staff and staff in-charge of electronic system to check and count the number of participants.

#### **Article 24 (revised): Opening of the Shareholder Meeting**

The shareholders or those holding the shares with aggregation of at least 10% of the total number of the share can submit a letter to the BoD or its Directors in order to request for



the opening in the shareholder meeting by specifying the topic and purpose of the proposed meeting.

After the BoD or its directors receive such letter of proposal, a shareholder meeting must be convened within 60 days after the received of the letter of proposal.

The shareholder or those holding the shares with an aggregation of at least 5% of the total number of the share can propose for additional sessions and resolutions to be considered in the shareholder meeting.

The shareholder meeting can be organized only if there are participants appearing in the meeting in accordance with the laws and regulations concerned. If at the time of the commencement of the meeting, the participant do not arrive as the number that have already been registered, the meeting time of the meeting can be postponed for one (1) hour. In case, after such postponement the number of participants has not met the full registered number, the chairperson is entitled to order the suspension of the meeting. The company must prepare to re-open the shareholder meeting by sending the invitations to participants, at least 5 official working days before the commencement of the meeting. The shareholder meeting must be reorganized within 15 working days after the suspended meeting as from the date of suspension. As for the reopening of the meeting, it can be organized any way regardless of number of participants.

#### **Article 25 (revised) Proceeding of Shareholder Meeting**

The chairperson of a shareholder meeting must inform the participants about agenda and proceed the meeting in accordance with the agenda as given in the letter of invitation. The chairperson must also explain in brief about the background, comments of BoD and the number of votes needed in each meeting session. After that, the floor is opened for comments or questions followed by answers and explanations to be given by the chairperson or he board of management of the meeting before the voting can take place.

#### **Article 26 Methods of Voting, Counting the Votes and Notification of Score for Each Session**

Participants to the shareholder meeting who are entitled to vote must put a cross-symbol in the spaces given in the voting cards for each session to indicate their agreement or disagreement. In case of wrongfully marking in the voting cards, then the cards concerned must be invalid (null), except for the case that the company may specify otherwise.

As for vote counting, one share represents one vote. The counting can be done in simple ways or by using electronic means. The vote counting can separate the scores of agreement or disagreement as deemed appropriate.

In case any shareholders or those participating as representatives come late, they are not entitled to re-vote for any sessions already voted, but they are entitled to vote in the following sessions.

The inspection committee must check the voting and scores counting and the result is disclosed by the chairperson at the meeting.

Voting by shareholders holding Omnibus Securities Accounts shall be done by Split Vote based on the holding ratio of holding.

In case the shareholders holding Omnibus Securities Accounts assign their representatives to participate in the meeting, actions have to be followed as defined in article 18 of this guideline.

#### **Article 27 Closing of the Meeting**

The chairperson delivers the closing remarks after completion of all sessions as notified in the letter of invitation.

### **Chapter 4 Actions after the Shareholder Meeting**

#### **Article 28 (revised) Resolution of the Shareholder Meeting**

The secretariat must prepare a meeting resolution to be signed by the chairperson. The company must send the resolution to the LSCO and disclose it to the general public as required by relevant regulations. The resolution must contain brief key contents which are approved in the meeting.

#### **Article 29 Meeting Minutes**

The secretariat must prepare a meeting minutes to be signed by the chairperson. The company must send the minutes to the LSCO and disclose it to the general public as required by relevant regulations.

Key contents of the meeting minutes are:

1. Names of chairpersons, deputy chairperson, BoD members, Directors and internal inspection unit participating in the shareholder meeting;
2. Agenda of the shareholder meeting;
3. Number of participants to the shareholder meeting including shareholders holding Omnibus Securities Accounts and those who send their representatives to join the shareholder meeting and their respective number of shares;
4. Details of each session, such as specific questions, explanation, objections, and voting results for each session.

#### **Article 30 Payment of Dividends**

The company must pay dividends to the shareholders to their accounts within 30 days as from the date of issuance of resolution.

#### **Article 31 Information Achieving**

The company must maintain information and evidence related to the shareholder meeting as defined in relevant regulations.

## **Chapter 5**

### **Final Provisions**

#### **Article 32     Implementation**

Lao Stock Exchange, the company, shareholders and relevant stakeholders shall acknowledge and strictly take actions in accordance with this guideline in terms of scope of rights and duties.

#### **Article 33     Entry into Force**

This guideline replaces the guideline on organization of shareholder meeting of companies registered in Lao Stock Exchange, No. 0001, dated February 10, 2016.  
This guideline comes into enforce as from the date of signature.

Director of Lao Securities Commission Office

[Signature and Seal]

Siaosavath Thilakoun