

DRAFT

**PROTOCOLS ON THE NOMINATION AND ELECTION REGULATIONS
OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD
TERM 2016 – 2021**

CONSTRUCTION JOINT STOCK COMPANY NO. 1

Pursuant to:

- Pursuant to Law on Enterprises no. 68/2014/QH13 dated November 26, 2014;
- The Charter of COFICO;

The Board of Directors hereby propose these Protocols on the nomination and election of Board of Directors and the Supervisory Board at the 2015 Annual General Meeting of Shareholders of Construction Joint Stock Company No. 1, as follows:

I. Interpretation of terminologies/abbreviations:

- The Company : Construction Joint Stock Company No. 1
- BOD : The Board of Directors
- SB : The Supervisory Board
- OC : The Organizing Committee
- AGM : The Annual General Meeting of Shareholders
- Participants : Shareholders, representatives (authorized persons)
- Comptroller : Members of the Supervisory Board

II. The AGM Chair:

The AGM Chair shall preside over the election specially:

- Introducing the list of nominees for election to the BOD and SB.
- Supervising the voting, counting of votes;
- Resolving complaints about election *(if any)*.

III. Protocols on BOD Nomination

- Number of BOD members : 07 persons
- Term : 2016 - 2021
- Maximum number of candidates : unlimited

1. The rights to nominate, stand for election to the BOD:

Shareholders and groups of shareholders with voting rights for a period of at least 06 continuous months may combine the number of voting rights of each shareholder together to nominate candidates for the BOD. The number of candidates that each group may nominate depends on the number of candidates decided by the AGM and the percentage of shares owned by each group. The number of candidates that each group can nominate is determined as follows:

- A shareholder or group of shareholders holding between 10% and under 20% of total shares with voting rights for a continuous period of at least six month may nominate maximum 1 candidate;
- A shareholder or group of shareholders holding between 20% and under 30% of total shares with voting rights for a continuous period of at least six month may nominate maximum 2 candidates;
- A shareholder or group of shareholders holding between 30% and under 40% of total shares with voting rights for a continuous period of at least six month may nominate maximum 3 candidates;
- A shareholder or group of shareholders holding between 40% and under 50% of total shares with voting rights for a continuous period of at least six month may nominate maximum 4 candidates;
- A shareholder or group of shareholders holding between 50% and under 60% of total shares with voting right for a continuous period of at least six month may nominate maximum 5 candidates;
- A shareholder or group of shareholders holding between 60% and under 70% of total shares with voting right for a continuous period of at least six month may nominate maximum 6 candidates;
- A shareholder or group of shareholders holding between 70% and under 80% of total shares with voting right for a continuous period of at least six month may nominate maximum 7 candidates;
- A shareholder or group of shareholders holding between 80% and under 90% of total shares with voting right for a continuous period of at least six month may nominate maximum 8 candidates.

In case where the number of candidates nominated by a shareholder or group of shareholders is less than the maximum number that they can nominate, the remaining candidates will be nominated by the BOD, SB or other shareholders.

Elected members of the BOD shall be determined based on the number of votes received calculated in descending order, starting from the candidate winning the highest number of votes down to until the sufficient number of members is obtained according to the Company Charter. In case two or more candidates win equal numbers of votes for the last position as member of the BOD, a re-election shall be held among these candidates.

2. Eligibility for BOD candidacy: *(according to Article 151 Law on Enterprises no. 68/2014/QH13 and Articles 30.1 of COFICO charter)*

In order to become a BOD member: the nominees or candidates must satisfy all of the following conditions:

- Having full personal and legal capacity;
- Not being a person restricted from incorporating and managing businesses as defined in Article 2, Article 18 of the Law on Enterprises;
- Being shareholder owning at least 5% of the Company' s total number of ordinary shares; or having graduate, post-graduate education in the fields of economics or technologies that are compatible with the business lines of the Company, with business and organizational capacity to manage the Company;
- Having nomination by a shareholder or group of shareholders owning over 10% (ten percent) of total shares with voting rights;
- Members of the BOD may concurrently hold other direct management positions in the Company.
- Having good health, good moral characters, honesty, integrity and legal knowledge.

IV. Protocols on SB Nomination

- Number of the SB members: 03 persons
- Term : 2016 - 2019
- Maximum number of candidates: unlimited

1. The rights to nominate, stand for election to the SB:

Shareholders and groups of shareholders with voting rights for a period of at least 06 continuous months may combine the number of voting rights of each shareholder together to nominate candidates for the SB. The number of candidates that each group may nominate depends on the number of candidates decided by the AGM and the percentage of shares owned by each group. The number of candidates that each group can nominate is determined as follows:

- A shareholder or group of shareholders holding between 10% and under 30% of total shares with voting rights for a continuous period of at least six month may nominate maximum 1 candidate;
- A shareholder or group of shareholders holding between 30% and under 40% of total shares with voting rights for a continuous period of at least six month may nominate maximum 2 candidates;
- A shareholder or group of shareholders holding between 40% and under 50% of total shares with voting rights for a continuous period of at least six month may nominate maximum 3 candidates;
- A shareholder or group of shareholders holding between 50% and under 60% of total shares with voting rights for a continuous period of at least six month may nominate maximum 4 candidates;
- A shareholder or group of shareholders holding from 60% of total shares with voting rights for a continuous period of at least six month may nominate maximum 5 candidates;

In case where the number of candidates nominated by a shareholder or group of shareholders is less than the maximum number that they can nominate, the remaining candidates will be nominated by the BOD, SB or other shareholders.

Elected members of the SB shall be determined based on the number of votes received calculated in descending order, starting from the candidate winning the highest number of votes down to until the sufficient number of members is obtained according to the Company Charter. In case two or more candidates win equal numbers of votes for the last position as member of the SB, a re-election shall be held among these candidates.

Eligibility for SB candidacy: *(according to Article 164 of Law on Enterprises no. 68/2014/QH13 and Articles 30.1 of COFICO charter)*

- Members of the SB shall have good health, legal awareness and qualified economic management capabilities.
- Full civil capacity and shall not be restricted from incorporating and managing businesses defined in Article 2, Article 18 of the Law on Enterprises no. 68/2014/QH13;
- Not being a spouse, father, adoptive father, mother, adoptive mother, child, adoptive child, brother, sister, of the BOD members, the CEO and other managing officeholders;
- Not holding management positions in the company (BOD members, CEO, deputy CEO, Chief Accountant); but does not have to be a shareholder or employee of the company;
- The head of the SB must be a professional accountant or auditor and must hold full time office at the Company.

V. Election rules:

- Complying with the provisions of law and the company charter.
- The right to vote is based on the number of shares owned or represented. Election results are calculated on the number of shares with voting rights of shareholders attending the meeting.
- In every election round, a shareholder may only use one vote corresponding to the number of shares owned or represented.
- The Vote-counting committee shall be nominated by the AGM Chair for approval by the AGM. Members of Vote-counting committee shall not be named as nominees and candidates for the BOD or SB.

VI. Election methods:

- The list of candidates for the BOD and SB are arranged alphabetically by name, writing the full name on the voting cards.

- **Attention:** Where the total number of candidates for the BOD and SB (respectively) is equal to the total number of corresponding seats to be appointed, the AGM Chair shall seek the AGM approval for such appointments to the BOD and SB (respectively) by ordinary votes, instead of cumulative voting.
- Election methods (where the total number of candidates exceeds the total number seats to be appointed in the BOD and SB respectively): *(according to Clause 3 Article 144 of Law on Enterprises no. 68/2014/QH13)*
 - By cumulative voting method: According to which, each shareholder shall have a total number of votes equivalent to the total number of shares owned multiplied by the number of members to be elected to the BOD or SB respectively. And shareholders may put all of their votes for one or more candidates.
 - Each participating shareholder will be granted one voting card for the BOD and one voting card for the SB. After receiving the voting cards, the shareholders must check again the information recorded on the card, if there are any errors they must immediately notify the Vote-counting committee.
 - How to mark the voting cards:
 - Shareholders can only vote for as many candidates as the maximum number of winners allowed.
 - If shareholders want to put all votes for one or more candidates, please tick the box "Cumulative Voting" for such candidates.
 - If shareholders want to put uneven votes for several candidates, please write down the number of votes in the column "Number of votes" for such candidates.

Notes:

- In case shareholders tick both "Cumulative Voting" and write the amount of votes in the " Number of votes" box, the result of the vote will be taken on the number of votes in the " Number of votes" box.
- The votes will be dropped into the ballot box which had been sealed before counting.
- Valid voting cards: shall be those pre-printed cards issued by the organizers, without erasing, correction, or additional writing except those specified for voting cards.
- The following voting card will be deemed invalid:
 - Having additional irrelevant writings;
 - Marked using pencil;
 - Crossing out names of candidates;

- Voting card not pre-printed following the standard form by the organizers, no trailing company stamp, having erasing, correction, or additional writing except those specified for voting cards;
 - Shareholders elected more candidates than the maximum winners allowed.
 - Having total votes exceeding the maximum voting rights
 - No signature of the shareholders.
- The counting of votes: conducted under the supervision of representatives of shareholders;
 - The Vote-counting committee shall be responsible for preparing the minutes of counting of votes, announcing of results and with the chairman resolving questions, complaints of shareholders (if any);
 - The voting cards after checking will be filed according to regulations and opened following the request of the AGM of the company.

VII. Principles for shortlisting winners

- Base on % ratio from the highest votes down until the approved number of members is fulfilled (5 members for the BOD and 3 members for the SB).
- Where candidates having equal % ratio of votes, but either of such candidates must be dropped to fulfill the maximum number of winners allowed, a re-election shall be held amongst these candidates.
- If the first election does not produce enough number BOD and SB members as required by the Company Charter, then election will further continue until getting enough members.

VIII. Candidate profiles for BOD and SB nomination and election:

The candidate profiles for BOD and SB nomination and election will include:

- Applications to nominate candidates/ stand for election to the Board of Directors and the Board of Supervisors (form);
- Curriculum vitae (form);
- Copies of the following documents: ID/Passport/Permanent address (if any);
- Certification of educational level and professional qualifications (if any);
- Certification of ownership percentage of shareholders/shareholder groups satisfying the conditions for nomination as stipulated in the Company Charter.
- The nominees/candidates for the BOD and SB shall be responsible before the law and the AGM for the accuracy and truthfulness of the content in their profiles.
-

Please send your application for Construction Joint Stock Company No. 1 before 16h00 date 15./ 06/ 2016 to the following address:

- **Office of Construction Joint Stock Company No. 1**

-
- **Address:** 108 Cao Thang Street, District 3, Ho Chi Minh City.
 - **Phone:** (08) 3839 7539 **Fax:** (08) 3839 5440

Above is the entire protocols on the nomination and election to the BOD and SB at the 2015 AGM of Construction Joint Stock Company No. 1, and is hereby submitted for the approval by the AGM.

IX. These protocols shall take effect immediately upon the AGM approval.

Ho Chi Minh City, 06/06 /2016

FOR AND ON BEHALF OF THE BOD

CHAIRMAN OF THE BOARD

(signed)

LE DANG XU