VIETNAM FORTRESS TOOLS JSC

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Thai Binh, March 25th, 2021

REGULATIONS
ELECTION OF MEMBERS BOARD OF DIRECTORS/ SUPERVISORY BOARD OF THE TERM 2021-2026 AT ANNUAL GENERAL MEETING 2021 OF VIETNAM FORTRESS TOOLS JSC

Pursuant:

- *Law of Enterprise No. 59/2020/QH14 dated 17/6/2020;*
- *Charter of Vietnam Fortress Tools JSC.*

I. NOMINATION/ SELF NOMINATION OF MEMBERS BOARD OF DIRECTORS

Article 1. Number and structure

- Total number: 05 members, in which: 02 independent members.
- Maximum of member candidates: unlimited

Article 2. Criteria for members of Board of Directors

2.1 To be a member of the Board of Directors, a person shall satisfy the following requirements:

a) Not in one of the persons specified in Clause 2 Article 17 of Law of Enterprise

b) Candidate has professional qualifications and experience of busines administration in the company's busines lines; a member is not necessarily a shareholder of the company

c) A person may hold the position of member of the Board of Directors of more than one company

2.2 Candidate for independent member of the Board of Directors shall satisfy the following requirements:

a) Not working for the company or its parent company or subsidiary company; did not worked for the company or its parent company or subsidiary company within the last 03 years or longer;

b) Not receiving a salary from the company, except the allowances to which members of the Board of Directors are entitled as per regulations

c) Candidate spouse, biological parents, adoptive parents, biological children, adopted children and siblings are not major shareholders of the company, executives of the company or its subsidiary companies;

d) Not directly or indirectly holding 1% of the company's voting shares or more;

đ) Candidate did not hold the position of member of the Board of Directors or the Board of Controllers of the company within the last 05 years or longer unless he/she was designated in 02 consecutive terms.

Điều 3. Nomination/ self- nomination for members Board of Directors

- Shareholders have the right to combine the number of votes of each person to nominate candidates for the BOD. A shareholder or a group of shareholders holding from 5% to less than 10% of the total number of voting shares may nomination one (01) candidate; from 10% to less than 30% shall be entitled to nominate up to two (02) candidate; from 30% to less than 40% shall be entitled to nominate up to three (03) candidate; from 40% to less than 50% shall be entitled to nominate up to four (04) candidate; from 50% to less than 60% shall be entitled to nominate up to five (05) candidate; from 60% to less than 70% shall be entitled to nominate up to six (06) candidate; from 70% to less than 80% shall be entitled to nominate up to seven (07) candidate; from 80% to less than 90% shall be entitled to nominate up to eight (08) candidate.
- In case the number of candidates for the BOD through nomination and self – nomination is insufficient, the current BOD shall nominate more candidates.

Điều 4. Documents of nomination/ self-nomination for member of Board of Directors

- Nomination/ self – nomination form for member of the BOD (please refer to the form);
- Curriculum vitae (please refer to the form);
- Certified true copies of the following documents: ID card/ Citizen ID card/ Passport
- Certified true copies of degrees for academic qualification and professional qualifications
- Confirmation of ownership of the shareholder/ group of shareholder who meet the conditions for nomination

Article 5. Selection candidates for member of Board of Directors

Based on the nomination applications of shareholders / group of shareholders, the Organizing Committee of the 2021 Annual General Meeting of the Company will prepare a list of candidates who meet the prescribed conditions to elect members of the BOD

II. NOMINATION/ SELF – NOMINATION FOR MEMBER OF SUPERVISORY BOARD

Article 6. Number of Supervisory Board

- Total number: 03 members
- Maximum of member candidate: unlimited

Điều 7. Criteria for members of Supervisory Board

- Not in one of the persons specified in Clause 2 Article 17 of this Law;
- Having been trained in one of the major is economics, finance, accounting, audit, law, business administration or a major that is relevant to the enterprise's business operation;
- Not a relative of any of the members of the Board of Directors, Director/General Director and other executives;
- Not the company's executive, is not necessarily a shareholder or employee of the company
- Not be relatives of the executives of the company, of the representative of enterprise's investment

Article 8. Nomination/ self- nomination for members Supervisory Board

- Shareholders have the right to combine the number of votes of each person to nominate candidates for the Supervisory Board. A shareholder or a group of shareholders holding from 5% to less than 10% of the total number of voting shares may nomination one (01) candidate; from 10% to less than 30% shall be entitled to nominate up to two (02) candidate; from 30% to less than 40% shall be entitled to nominate up to three (03) candidate; from 40% to less than 50% shall be entitled to nominate up to four (04) candidate; from 50% to less than 60% shall be entitled to nominate up to five (05) candidate.
- In case the number of candidates for the Supervisory Board through nomination and self – nomination is insufficient, the current Supervisory Board shall nominate more candidates.
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Điều 9. Documents of nomination/ self-nomination for member of Suprvisory Board

- Nomination/ self – nomination form for member of the Suprvisory Board (please refer to the form);
- Curriculum vitae (please refer to the form);
- Certified true copies of the following documents: ID card/ Citizen ID card/ Passport
- Certified true copies of degrees for academic qualification and professional qualifications
- Confirmation of ownership of the shareholder/ group of shareholder who meet the conditions for nomination

Article 10. Selection candidates for member of Supervisory Board

Based on the nomination applications of shareholders / group of shareholders, the Organizing Committee of the 2021 Annual General Meeting of the Company will prepare a list of candidates who meet the prescribed conditions to elect members of the Supervisory Board.

III. PRINCIPLES, METHOD OF ELECTION MEMBERS OF BOARD OF DIRECTORS/ SUPERVISORY BOARD

Article 11. Principles of election

- Comply with the law, the charter
- Secret ballot method
- The right to vote is calculated according to the number of shares owned or authorized. The result of election is calculated on the number of voting shares of the attending shareholders.
- At each election, a shareholder can only use vote corresponding to the number of shares owned or represented by that shareholder.
- The Vote counting Committee is nominated by the Chairman and approved by the GMS. A member of the Vote Counting Committee must not be named on the list of nominees and candidates for the Board of Directors or Supervisory Board.

Article 12. Method of election

- List of candidates is sorted alphabetically by name, full name and last name on the vote.
- Method of election:
  - Use the cumulative voting method: accordingly, each shareholder has the total number of votes corresponding to total number of shares owned multiplied by the number of members to be elected to the Board of Directors / Supervisory Board and shareholders are entitled to vote his total votes for one or a number of candidates
  - Each shareholder attending the AGM shall be given one voting ballot for the Board of Directors and one voting ballot for the Supervisory Board. Shareholders shall fill in the number of votes for each member they wish to elect so that the total number of votes cast shall be equal to or less than the total number of votes held by that shareholder. In case of voting error, shareholders may contact the Vote Counting Committee to re-issue the vote and return the old one
- Election votes will be placed in the ballot box that was sealed prior to vote counting.

- Valid voting ballot: printed form issued by the organizers without erasing, scraping, and adding other than the vote regulation.
- The following votes will be considered invalid:
  - Add more content to the vote
  - Cross name of candidates
  - Voting form is not on the printed form issued by the organizer , or has been erased, scraped, added other than the vote regulations.
  - The total number of votes cast is greater than the total number of votes entitled.
- The counted votes will be archived in accordance with regulations.

Article 13. Principle of cumulative voting, principle of choosing candidate

- Principle of cumulative voting: According to the guidance specified in the Appendix attached to this Regulation.
- Principle of choosing candidate: The elected members of the Board of Directors, Supervisory Board are determined by the number of votes from the top down, starting from the candidate with the highest number of votes until the number of members is sufficient according to the regulations, but must obtain a valid number of votes corresponding to at least one voting right of the attending shareholders.
- In case, there are candidates with the same number of votes, then the election will be re – organized among these candidates.

Article 14. Prepare and publish the Minutes of Vote Counting

- After counting votes, the Vote Counting Committee must make a Minutes of vote counting
- The minutes of vote counting must be announced at the AGM.

Article 15.

Complaints about voting and counting votes will be resolved by the Chairman and recorded in the Minutes of the General Meeting of Shareholders.

This Regulation includes 15 articles and is read publicly at the General Meeting of Shareholders for approval.

ON BEHALF OF BOARD OF DIRECTORS
CHAIRMAN

HSU TING HSIN

APPENDIX

INSTRUCTIONS TO VOTE MEMBER BOARD OF DIRECTORS/ SUPERVISORY BOARD

(According to the method of cumulative voting)

1. Type of vote:

- *Yellow vote: vote for members of the Board of Directors*
- *White vote: vote for members of the Supervisory Board*

2. Vote:

- *The vote for members of the Board of Directors / Supervisory Board will be placed in the ballot box that was sealed.*

3. How to write the vote ballot:

- *Each shareholder has the total number of votes corresponding to total number of shares with voting rights (including owning and authorized) multiplied by the number of elected members of the Board of Directors / Supervisory Board.*
- *Shareholders can divide the total number of votes for all candidates, or accumulate all votes for one or a number of candidates, but the total number of votes for the candidates must not exceed the total number of votes of that shareholder.*

Example:

The General Meeting of Shareholders voted to select 05 members of the Board of Directors among the total of 06 candidates. Shareholders – Mr. Tran Van B holds (including owning and authorized) 10,000 shares with voting rights. Then, the total number of votes of Mr. Tran Van B is:

10.000 shares x 5 = ***50.000 Votes***

Mr. Tran Van B can accumulate votes by the following method:

Case 1: Mr. Tran Van B evenly divides his number of votes among 5 candidates (equivalent to each candidate receiving 10,000 votes)

Full name of candidates	Number of voting rights
1. Candidate 1	**10.000**
2. Candidate 2	**10.000**
3. Candidate 3	**10.000**
4. Candidate 4	**10.000**
5. Candidate 5	**10.000**
6. Candidate 6	**0**
Total number of voting rights	**50.000**

Case 2: Mr. Tran Van B gives all his votes to 1 candidate

Full name of candidates	Number of voting rights
1. Candidate 1	**0**
2. Candidate 2	**50.000**
3. Candidate 3	**0**
4. Candidate 4	**0**
5. Candidate 5	**0**
6. Candidate 6	**0**
Total number of voting rights	**50.000**

Case 3: Mr. Tran Van B votes his vote for 5 candidates (but not equally)

Full name of candidates	Number of voting rights
1. Candidate 1	**10.000**
2. Candidate 2	**20.000**
3. Candidate 3	**0**
4. Candidate 4	**5.000**
5. Candidate 5	**5.000**
6. Candidate 6	**10.000**
Total number of voting rights	**50.000**

5. The votes will be considered invalid:

- *Voting form is not on the printed form issued by the organizer*
- *The Voting ballot been erased, scraped, added other than the vote regulations.*
- *Cross name of candidates or write more candidates*
- *The total number of votes cast is greater than the total number of votes entitled*

Full name of candidates	Number of voting rights
1. Candidate 1	**10.000**
2. Candidate 2	**20.000**
3. Candidate 3	**10.000**
4. Candidate 4	**5.000**
5. Candidate 5	**5.000**
6. Candidate 6	**10.000**
Total number of voting rights	**60.000**

- *Other cases prescribed in regulations.*