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Peace Independence Democracy Unity Prosperity  
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The Security Management Committee  
The Security Management Committee Office

No.: 0001/SMCO  
Vientiane Capital, dated: 10 February 2016

**INSTRUCTION**  
*on*  
**Convening a Shareholders' Meeting for Listed Companies**

- Pursuant to the Law on Securities No.: 21/NA, dated 10 December 2012;
- Pursuant to the Law on Enterprise (amended) No.: 46/NA, dated 26 December 2013;
- Pursuant to the Decision on Organization and Operation of the Security Management Committee Office No.: 013/SMC, dated 17 December 2013.

**The Head of the Security Management Committee Office hereby issues this Instruction:**

**CHAPTER 1**

**General Provisions**

**Article 1. Objective**

This Instruction defines principles, methods, and procedures for the preparation, operation, and implementation after completion of a shareholders' meeting for listed companies for mutual implementation and the creation of understanding among shareholders and other parties with the aim of protecting the rights and benefits of the shareholders.

**Article 2. Definitions**

Terms used in this Instruction shall have the following meanings:

1. **Record date** refers to a date stipulated by the board of directors on which a list of shareholders is recorded;
2. **Serial number** refers to numbers written in the shareholder registry book of the listed companies issued by the securities exchange;
3. **Barcode** refers to line code symbols which are used in replacing information stored in the database;
4. **Listed companies** refer to companies that distribute their assets to investors, and which are registered with the securities exchange.

**Article 3. Principles for Convening a Shareholders' Meeting**

The convening of a shareholders' meeting shall comply with the following main principles:

1. A board of directors is in charge of calling a shareholders' meeting and considering and stipulating matters to be proposed to the shareholders' meeting for adoption;
2. Ensuring that shareholders receive proper, full, and thorough information regarding the shareholders' meeting within the given timeframe;
3. Ensuring that shareholders attend the shareholders' meeting and that the shareholders unable to attend the meeting use equal and equitable methods to provide comments on the proposed matters of the shareholder's meeting;
4. Holding the shareholders' meeting in accordance with its agenda and on a transparent and accountable basis. A resolution and minutes of the shareholders' meeting shall contain complete and accountable information, and shall be published to the public.

#### **Article 4. Scope of Applicability**

This Instruction applies to securities exchanges, listed companies, shareholders, and other parties relating to the holding of a shareholders' meeting for listed companies.

## **CHAPTER 2**

### **Preparation of Shareholders' Meeting**

#### **Article 5. Preparation of Shareholders' Meeting**

A listed company shall prepare a shareholders' meeting based upon the following contents:

1. An agenda for the shareholders' meeting;
2. An invitation letter for the shareholders' meeting;
3. Stipulation of record date;
4. Documents to be proposed to the shareholders' meeting;
5. Publishing an invitation letter for the shareholders' meeting and its attached documents;
6. Date, time, and venue of the meeting;
7. Personnel for the meeting;
8. Electronic devices to facilitate the meeting.

The above contents in this Article shall be approved by the board of directors.

#### **Article 6. Preparation of Agenda**

A listed company shall prepare an agenda for the shareholders' meeting and propose it to its board of directors for adoption. The agenda shall be within the scope of the rights and duties of a shareholders' meeting to consider.

Each shareholders' meeting agenda item shall consist of a brief explanation regarding the background, comments of the board of directors, and the required votes for adoption of the agenda item.

## **Article 7. Invitation Letter and Delivery**

An invitation letter for the shareholders' meeting shall have the following contents:

1. Name and address of listed company as an inviter;
2. Date, time, and venue of shareholders' meeting, contact number, and the name of a coordinator from the listed company.

The listed company shall attach the following documents with the invitation letter:

1. An agenda for the shareholders' meeting;
2. A regulation or instruction for attending the meeting;
3. A power of attorney for a proxy to attend a meeting on a shareholder's behalf;
4. Required documents to be proposed to the meeting;
5. Supporting documents indicating the number of shares of each shareholder;
6. Minutes of a previous shareholders' meeting (if any);
7. Curriculum vitae of members of the board of directors as a reference for shareholders to consider and assign them to attend the shareholders' meeting on the shareholders' behalf;
8. A map of the meeting venue.

A listed company shall be responsible for delivering an invitation letter and attached documents as stipulated in Article 6 of this Instruction to each shareholder listed in a shareholder registry book at least 10 working days prior to the shareholders' meeting, so that the shareholders have sufficient time to study and review those documents to be contemplated at the shareholders' meeting.

The delivery of an invitation letter for the shareholders' meeting and attached documents can be made by the listed company itself or by hiring a person or a legal entity to deliver those documents on its behalf. Moreover, those documents can be delivered by registered mail, personally, handing them over to the shareholders, or other appropriate means. Shareholders intending to collect an invitation letter and attached documents themselves may do so by giving notice to the relevant parties.

## **Article 8. Stipulation of Record Date**

The board of directors shall stipulate the record date in order to define rights for attending the shareholders' meeting, obtaining dividends, subscribing new shares, and other purposes relating to the listed company. After the board of directors defines the record date, the listed company shall notify the securities exchange at least 10 working days prior to the record date.

The securities exchange shall prove a shareholder registry book to the listed company within 5 working days from the record date.

## **Article 9. Documents to be proposed to the Shareholders' Meeting**

Documents to be proposed to the shareholders' meeting are the documents listed in the agenda of the shareholders' meeting and shall be approved by the board of directors.

The listed company shall duly and sufficiently prepare and provide documents as stipulated in paragraph one of this Article so that the shareholders have sufficient information for consideration and voting.

#### **Article 10. Publication of Invitation letter for Shareholders' Meeting**

A listed company shall publish an invitation letter for the shareholders' meeting to the public through the publication system of the securities exchange at least 10 working days prior to the meeting. The invitation letter may also be published through a company website or by appropriate mass media after publishing the invitation letter through the means stipulated in the reporting and publishing regulations.

#### **Article 11. Stipulation of Date, Time, and Venue of Shareholders' Meeting**

The date of the shareholders' meeting shall comply with the timeframe stipulated in applicable laws and regulations, and shall be held within sixty days from the record date. The meeting time shall be appropriate (not be too early or too late), and shall finish on the same day for the convenience of the shareholders. The meeting venue should be selected on the basis that the majority of shareholders can attend it conveniently.

#### **Article 12. Personnel for the Shareholders' Meeting**

A listed company shall assign the following personnel to run the shareholders' meeting:

1. A receptionist;
2. A document examination officer;
3. A registration staff member;
4. A master of ceremonies;
5. Secretariat;
6. A staff member in charge of voting and summarizing votes;
7. An electronic device controller;
8. Committees for shareholders' meeting and voting inspection;
9. Committees for monitoring and assessing the shareholders' meeting.

#### **Article 13. Preparation of Electronic Devices**

A listed company shall prepare the following electronic devices to serve the shareholders' meeting:

1. Registration system;
2. Voting and counting system;
3. Internet connection;
4. Equipment serving the meeting such as: computer, printer, fax, photocopier, voice recorder, camera and video recorder, and other necessary equipment.

#### **Article 14. Committees for Shareholders' Meeting and Voting Inspection**

A listed company shall appoint a committee for a shareholders' meeting and voting inspection to inspect the preparation of a shareholders' meeting, the meeting itself, and implementation after the meeting as stipulated in this Instruction, in order to ensure

transparency and compliance of the shareholders' meeting with applicable laws and regulations.

Committees for a shareholders' meeting and voting inspection shall consist of three members. Two of them will be representatives of the listed company with legal knowledge and one a minority shareholder's representative. The members shall be appointed by the board of directors of the listed company.

The members of a committee for a shareholders' meeting and voting inspection shall meet the following criteria:

1. Not being a chairman, a vice chairman, or a member of the board of directors or a director of the listed company or their parents, spouses, siblings, children, or children's spouses.
2. Not being a nominee of the shareholders' meeting to be a chairman, a vice chairman or a member of the board of directors or a director of the listed company or the parents, spouses, siblings, children, or children's spouses of such nominees.

#### **Article 15. Committees for Monitoring and Assessing the Shareholders' Meeting**

Committees for monitoring and assessing the shareholders' meeting are in charge of monitoring and assessing the preparation of the shareholders' meeting, the meeting itself, and implementation after the meeting in accordance with the checklist as stipulated by the Security Management Committee Office.

Committees for monitoring and assessing the shareholders' meeting consist of three members. One of them is a representative of the Security Management Committee Office, the other two are representatives of the securities exchange and the minority respectively. The committees shall be appointed by the Security Management Committee Office.

#### **Article 16. Attendees at the Shareholders' Meeting**

Attendees at the shareholders' meeting consist of:

1. Shareholders listed in the shareholder registry book or their proxies attending the meeting on their behalf;
2. A chairman, a vice chairman, members of the board of directors, and directors of a listed company;
3. Internal auditors of a listed company;
4. Independent auditors if required.

#### **Article 17. Assignment of Proxies to Attend the Meeting on Shareholders' Behalf**

Shareholders who are entitled to attend the shareholders' meeting and are unable to attend the meeting in person may assign their proxies to attend the meeting on their behalf. Such an assignment can be conducted in one of the following three ways for each meeting:

1. A proxy is assigned by a shareholder to attend the meeting and has the right to vote on all matters;
2. A proxy is assigned by a shareholder to attend the meeting and has the right to vote on some matters;
3. A proxy is assigned by a shareholder to attend the meeting and has the right to vote based upon the consent of an assigner or an assigning shareholder.

## **CHAPTER 3**

### **Holding of Shareholders' Meeting**

#### **Article 18. Duties of Shareholders' Meeting**

A chairman of the board of directors has the duty to chair the shareholders' meeting. If the chairman is unable to attend the meeting, a vice chairman or a member of the board of directors shall be assigned to chair the meeting.

A chairman of the shareholders' meeting shall have the following duties:

1. Opening the shareholders' meeting;
2. Presenting an agenda and regulations of the meeting to shareholders;
3. Notifying the detailed number of shareholders attending the meeting in person or by their proxies and their share percentage;
4. Reporting on the results of the implementation of the resolutions of the previous year's ordinary general shareholders' meeting by pointing out successes, outstanding matters, and methods for resolving such outstanding matters from the resolutions, as well as reporting on the dividend distribution if the listed company has provided a dividend distribution during the year;
5. Reporting on the annual business performance and the following year's business operation plan of the listed company;
6. Presenting the annual financial statement of the listed company;
7. Approving each agenda item of the shareholders' meeting by giving a brief explanation of each proposed agenda item, and clarifying any queries from the shareholders before proposing a vote to the attendees of the shareholders' meeting, such vote to be carried out for each agenda item;
8. Declaring the voting result for each agenda item as well as the vote margin for each agenda item;

9. Concluding the shareholders' meeting;
10. Performing other assigned duties.

#### **Article 19. Procedures for Shareholders' Meeting**

A listed company shall hold a shareholders' meeting based upon the following procedures:

1. Examining supporting documents or evidence to verify shareholders or their proxies;
2. Registration;
3. Quorum examination;
4. Opening the meeting;
5. Notifying the regulations for the meeting;
6. Proceeding with the meeting in accordance with its agenda;
7. Voting, counting the votes, and declaring the voting result for each agenda item;
8. Concluding the meeting.

#### **Article 20. Examination of Supporting Documents or Evidence to Verify Shareholders or their Proxies**

A listed company shall be prepared for and facilitate the examination of documents or evidence to verify shareholders or their proxies attending the meeting on their behalf.

A listed company shall have at least two hours prior to the meeting to examine supporting documents or evidence.

Supporting documents or evidence to verify shareholders or their proxies include:

1. For individual shareholders:
  - 1.1. An identity card or a passport (for foreign investors);
  - 1.2. A power of attorney from a shareholder entitled to attend the meeting, and an identity card or passport of a proxy;
2. For corporate shareholders:
  - 2.1. An enterprise registration certificate and/or a certificate granting a taxpayer's identification number for the current year;
  - 2.2. A power of attorney from the board of directors or directors of a listed company;
  - 2.3. Supporting documents or evidence verifying the rights of an assignor and an assignee.

Supporting documents verifying shareholders to attend the shareholders' meeting shall be in Lao or English. In case of translations from other languages into Lao or English, the documents shall be signed and sealed by an authorized representative for a corporate shareholder.

## **Article 21. Registration**

For registration of shareholders and their proxies to attend the shareholders' meeting, a listed company shall use a serial number or barcode for convenience in inserting data into the registration and voting system.

## **Article 22. Quorum Examination**

Committees for a shareholders' meeting and voting inspection shall monitor and coordinate with registration staff and an electronic device controller to inspect and count the meeting quorum.

## **Article 23. Opening of Shareholders' Meeting**

A shareholders' meeting may be opened once the required meeting quorum is met in accordance with applicable laws and regulations.

In the event that a quorum has not been achieved at the time set for the commencement of the meeting, the meeting shall be postponed for a period not exceeding one hour. If after the extended period of one hour the quorum has still not been achieved, the meeting chairman may suspend the meeting. A listed company shall prepare to re-hold a shareholders' meeting by circulating an invitation letter among the shareholders to attend the meeting at least five working days prior to the meeting. The meeting shall be completed within 15 working days from the date the previous meeting was suspended and may be proceeded with whether a quorum is present or not.

## **Article 24. Proceeding with a Shareholders' Meeting**

The chairman of the shareholders' meeting shall notify the meeting of the agenda and proceed with the meeting in accordance with the agenda indicated on the invitation letter for the shareholders' meeting. At the same time, the chairman shall give a brief explanation regarding the background, comments of the board of directors, and the required votes for each agenda item. After that, attendees will be given opportunities to comment or raise queries on each agenda item to which the chairman or presiding committees of the shareholders' meeting shall respond prior to the vote.

The shareholders' meeting may change the order of the meeting agenda only if more than half of the total number of shareholders attending the meeting approve of such change. The shareholders' meeting may add more items to the agenda if this is proposed by shareholders representing more than one-third of the total paid shares in accordance with Article 144 of the Law on Enterprise (amended).

## **Article 25. Method for Voting, Vote Counting, and Declaration of Voting Result for each Agenda Item**

Attendees at the shareholders' meeting who are entitled to vote shall mark a cross in a designated space to indicate that they agree or disagree with any matter on the voting card for each meeting. If the voting card is wrongly marked, it shall be considered invalid (null) unless otherwise stipulated by a listed company.

Vote counting shall be on the basis of one share per one vote for which a listed company may use a simple vote or electronic vote. Vote counting may be conducted by counting only votes in favor of or vote against any matter in an appropriate manner.

Shareholders or their proxies who come to the shareholders' meeting late shall not be entitled to vote for a matter that has already been resolved but shall be entitled to vote on the next or remaining matters.

Voting on and counting of each issue shall be inspected by committees for voting and counting, and thereafter be presented to the chairman of the meeting to declare the result to the attendees.

The votes of shareholders listed in an omnibus securities account shall be split into separate votes in accordance with their share percentages.

If shareholders listed in an omnibus securities account assign their proxies to attend the shareholders' meeting on their behalf, they shall comply with item 3, Article 17 of this Instruction.

#### **Article 26. Conclusion of Shareholders' Meeting**

The chairman of the shareholders' meeting shall conclude the meeting after resolving all matters indicated in the meeting's invitation letter.

### **CHAPTER 4**

#### **Implementation after Shareholders' Meeting**

#### **Article 27. Resolution of Shareholders' Meeting**

The secretariat shall prepare a resolution of the shareholders' meeting for signing by the chairman of the meeting. A listed company shall publish such resolution to the public in accordance with applicable regulations. The resolution shall include a brief account of the significant matters adopted by the meeting.

#### **Article 28. Minutes of Shareholders' Meeting**

The secretariat shall prepare minutes of the shareholders' meeting for signing by the meeting chairman. A listed company shall send the minutes to the Security Management Committee Office and securities exchange, and publish them to the public in accordance with applicable regulations.

The minutes shall include the following main contents:

1. List of the chairman, vice chairman, members of the board of directors, directors, and internal auditors who attended the meeting;
2. The agenda of the shareholders' meeting;

3. The number of shareholders who attended the meeting in person or by proxy and their share percentages;
4. Agenda items, queries on each item, clarifications, and voting results on each item.

#### **Article 29. Distribution of Dividend**

A listed company shall distribute a dividend to shareholders listed in a shareholder registry book within thirty days from the date of resolution for dividend distribution.

#### **Article 30. Retention of Data**

A listed company shall retain data and evidence regarding each shareholders' meeting in accordance with applicable regulations.

### **CHAPTER 5**

#### **Final Provisions**

#### **Article 31. Implementation**

Listed companies, securities exchanges, shareholders, and relevant parties shall make themselves aware of and strictly comply with this Instruction within their scope of rights and duties.

#### **Article 32. Effectiveness**

This Instruction supersedes the Guideline on the Convening of Shareholders' Meeting of Listed Companies No. 257/SMCO, dated 03 March 2014.

This Instruction shall be enters into force on the date it is signed.

**Head of the Security Management Committee Office**

*[Seal and signature]*

**Saisamone Chanthachack**