



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

-----===== 000 =====-----

Lao Securities Commission

Ref. No. 0025/LSC
Vientiane Capital, 26/10/2016

Decision
On Transfer of Listed Shares

- Pursuant to the Law on Securities No. 21/NA, dated 10 December 2012;
- Pursuant to the Decree on Organization and Operations Lao Securities Commission No.188/PM, dated 24 July 2013;
- Pursuant to the proposal of the Lao Securities Commission Office, Ref. No.0149/LSC, dated 13 October 2016.

The Chairman of the Lao Securities Commission hereby issues the following decision:

Section I
General Provisions

Article 1 Objectives

This Decision set forth the principles, methods and processes of transferring listed shares to ensure that the listed shares are transferred accurately, transparently and fairly in compliance with regulations and laws of the Lao PDR.

¹ Although every effort has been made to convey the meaning and effect of each provision of the original Lao language version as accurately as possible, this English translation does not carry any legal authority. Only the original Lao text has legal force; this English translation is strictly for reference.

Article 2 Transfer of Listed Shares

Transfer of listed shares is in changes in ownership of shares of listed companies from one shareholder to another shareholder in compliance with Article 6 of this Decision without having a buying-selling process at the Securities Exchange.

Article 3 Explanation of Terms

Terms used in this Decision have the meanings as specified below:

1. “Share” means the listed share in the Laos Securities Exchange;
2. “Transferor or Transferee” means a person, legal entity, organization or other party;
3. “Transferor” means a person who purpose to transfer their ownership of listed shares to another transferee;
4. “Transferee” means a person who has right to status the ownership of listed shares that are received from transferor.
5. “Changes in ownership of listed shares” means the changing rights of ownership of listed shares in holding, using, receiving benefits, and arbitrating from a transferor to a transferee, which are different securities accounts;
6. “Ownership of listed shares” means the rights and arbitrations of the government, a person, legal entity, organization, and another party in holding, using, receiving benefits, and arbitrating of listed shares in compliance with law and regulation.

Article 4 Principles for Listed Share Transfer

Transfer of listed shares shall follow the principles below:

1. Free will and legally;
2. Protection of rights and interests of transferors and transferees;
3. Equality;
4. Compliance with laws and regulations of the Lao PDR.

Article 5 Scope of Application

This Decision applies to transferors, transferees, securities companies, trust banks, the Securities Exchange, the Lao Securities Commission Office, and stakeholders in relation to transfer of listed shares.

Section II

Forms, Conditions and Process of Listed Share Transfer

Article 6 Forms of Listed Share Transfer

Transfer of listed shares consists of 4 forms:

1. Transfer of listed shares under contractual obligations;
2. Transfer of listed shares as inheritance or division of nuptial property;
3. Transfer of listed shares by Court Decision or Court Judgment;
4. Transfer of listed shares upon request.

Article 7 Transfer of Listed Shares under Contractual Obligations

Transfer of listed shares under contractual obligations is changes in ownership of listed shares from one shareholder to another shareholder as specified in the contract such as contracts

of underwriter, donation contract or asset transfer agreement. The contents of such contracts must be in conformity with Law on Contract and Tort, and Law on Contract Implementation Guarantee.

Article 8 Transfer of Listed Shares as Inheritance or Division of Nuptial Property

Transfer of listed shares as inheritance is changing ownership of listed shares of death shareholders to their heirs according to laws or wills.

Transfer of listed shares as division of nuptial property is changing ownership of listed shares in the Securities Exchange held by couples, husbands or wives to become ownership of husbands or wives before or after their divorces with free will, in reference to laws and regulations, Court Decisions or Court Judgments.

Article 9 Transfer of Listed Shares by Court Decision or Court Judgment

Transfer of listed shares by Court Decision or Court Judgment is changes in ownership of listed shares in the Securities Exchange from one shareholder to another shareholder in accordance with the final court of appeals decision.

Article 10 Transfer of Listed Shares upon Request

Transfer of listed shares upon request is changes in ownership of listed shares in the Securities Exchange upon requests from a transferor as requester to transferee, which is not exposed to above three forms in article 7, article 8, and article 9 in this Decision.

Article 11 Conditions for Transfer of Listed Shares

Transferors and transferees of listed shares shall meet the following conditions:

1. A person must be in capacity of their behaves or assigned by Court to represent other persons who are incapable in terms of their behaves;
2. Compliance with the forms of transfer of listed shares specified in Article 7, Article 8, Article 9, and Article 10 in this Regulation;
3. Providing the information and evidence in relation to transfer or assignee of listed shares, which is guaranteed by stakeholders;
4. Having securities accounts with securities companies or trust banks, who are members of the Securities Exchange;
5. Additional conditions shall require by the Lao Securities Commission Office case by case.

Article 12 Process of Transfer of Listed Shares

Transfer of listed shares shall follow the below process:

1. Documentation needed for transfer of shares are submitted to securities companies directly or in case transferor is a customer of trust banks, the documents could either be submitted through trust banks to forward to securities companies;
2. Securities companies shall consider the needed documents of transfer of listed shares prior proposed to the Securities Exchange for consideration;
3. The Securities Exchange shall consider the needed documents and process the transfer of shares in accordance with principles and regulations;

Transfer of listed shares that is unless specified in this Decision, must be approved by the Lao Securities Commission Office.

Article 13 Documentation Needed for Transfer of Listed Shares

Persons wishing to transfer listed shares shall submit a request and accompanying documents independent to the forms of transfer of listed shares as below:

1. Transfer of listed shares under contractual obligations

- 1) An application form of transfer of listed shares specified by the Securities Exchange;
- 2) A certificate of securities accounts of transferors and transferees of listed shares from securities companies;
- 3) Letter of Power Attorney assigned to securities companies or trust banks to fulfill rights and duties on behalf of transferors;
- 4) A current resident certificate, copy of Family Book or identity card of transferors and transferees. Additionally, copy of passport is needed for foreigners;
- 5) A copy of Enterprise Registration or Certificate of Legal Entity Status of transferors and transferees. In case transferors and transferees are foreigners, the copy of Enterprise Registration or Certificate of Legal Entity Status must be verified by Notary Office of the country where their business has been incorporated;
- 6) Guarantee contracts or donation contracts or asset transfer agreement and other contracts concerned, must be certified by competent authorities;
- 7) Additional documents shall require by the Lao Securities Commission Office case by case.

2. Transfer of listed shares as heritage or division of nuptial property

- 1) An application form of transfer of listed shares specified by the Securities Exchange;
- 2) A certificate of securities accounts of transferors and transferees of listed shares from securities companies;
- 3) Letter of Power Attorney assigned to securities companies or trust banks to fulfill rights and duties on behalf of transferors;
- 4) A current resident certificate, copy of Family Book or identity card of transferors and transferees. Additionally, copy of passport is needed for foreigners;
- 5) Copy of Enterprise Registration or Certificate of Legal Entity Status of transferors and transferees. In case transferors and transferees are foreigners, the copy of Enterprise Registration or Certificate of Legal Entity Status must be verified by Notary Office of the country where their business has been incorporated;
- 6) A death certificate proving by competent authority or foreign embassy in the Lao PDR (in case of death);
- 7) A certificate of shared inheritance in accordance with laws from competent authority;
- 8) A copy of will verified by competent authority;
- 9) A final Court of appeals decision for the case of having divorce;

10) Additional documents shall require by the Lao Securities Commission Office case by case.

3. Transfer of listed shares by Court Decision or Court Judgment

- 1) An application form of transfer of listed shares specified by the Securities Exchange;
- 2) A certificate of securities accounts of transferors and transferees of listed shares from securities companies;
- 3) Letter of Power Attorney assigned to securities companies or trust banks to fulfill rights and duties on behalf of transferors;
- 4) A current resident certificate, copy of Family Book or identity card of transferors and transferees. Additionally, copy of passport is needed for foreigners;
- 5) Copy of Enterprise Registration or Certificate of Legal Entity Status of transferors and transferees. In case transferors and transferees are foreigners, the copy of enterprise registration or certify of entity must be verified by Notary Office of the country where their business has been incorporated;
- 6) A final Court of appeals decision;
- 7) Additional documents shall require by the Lao Securities Commission Office case by case.

4. Transfer of listed shares upon request

- 1) An application form of transfer of listed shares specified by the Securities Exchange;
- 2) A certificate of securities accounts of transferors and transferees of listed shares from securities companies;
- 3) Letter of Power Attorney assigned to securities companies or trust banks to fulfill rights and duties on behalf of transferors;
- 4) A current resident certificate, copy of Family Book or identity card of transferors and transferees. Additionally, copy of passport is needed for foreigners;
- 5) Copy of Enterprise Registration or Certificate of Legal Entity Status of transferors and transferees. In case transferors and transferees are foreigners, the copy of enterprise registration or certify of entity must be verified by Notary Office of the country where their business has been incorporated;
- 6) Additional documents shall require by the Lao Securities Commission Office case by case.

Securities Companies received an application form of transfer of listed shares as defined in this Article, shall verify completeness and accuracy of the requests and accompanying documents within ten working days prior submitting to the Securities Exchange for consideration.

Article 14 Consideration of Transfer of Listed Shares

Subsequent to receiving the completed and accurate documents, trust banks must consider and verify the requests within three working days in order to submit to securities companies and report to the Securities Exchange.

Subsequent to receiving the completed and accurate documents, securities companies must consider and verify the requests on offer from trust banks within three working days in order to submit to the Securities Exchange.

After receiving the completed and accurate documents, the Securities Exchange must consider and verify the requests within three working days in order to process the transfer of listed shares and notify to securities companies and trust banks for the case of transferor is a customer of trust banks.

Article 15 Registration and Effectiveness of Transfer of Listed Shares

The registration of listed shares that changes ownership of transferring must follow the principles and regulations of the Securities Exchange. The registration shall be effective after Securities Exchange has completed the record of transfer of listed shares in Book-entry of Central Securities Depository or at the time of record in Share Holders Book.

Article 16 Notification of Results of Transfer of Listed Shares

Thereupon, the Securities Exchange shall notify results of transfer of listed shares to securities companies or trust banks for the case of transferor is a customer of trust banks, in order for securities companies or trust banks to notify to transferor or transferee.

Section III

Rights and Duties of Participants in Listed Share Transfers

Article 17 Participants in Transfer of Listed Shares

Participants in the transfers of listed shares refer to transferors, transferees, securities companies, trust banks, the Lao Securities Commission Exchange and another parties related to such transfers.

Article 18 Rights and Duties of Transferors

Transferors have the following rights and duties:

- 1) Submit an application form specified by the Securities Exchange;
- 2) Provide complete and accurate information defined in this Decision, other related regulations and laws, and as upon the requests of trust banks or securities companies or the Securities Exchange or the Laos Securities Commission Office;
- 3) Clarify information regardless of transfer of listed shares on offer from trust banks or securities companies or the Securities Exchange or the Lao Securities Commission Office, if necessary;
- 4) Pay the charges to the Lao Securities Commission office for the case of prohibition the laws and regulations verified in this is Decision;
- 5) Fulfill other rights and duties as defined by the Lao Securities Commission Office.

Article 19 Rights and Duties of Transferees

Transferees have the following rights and duties:

- 1) Provide complete and accurate information defined in this Decision, other related regulations and laws, and as upon the requests of trust banks or securities companies or the Securities Exchange or the Laos Securities Commission Office;
- 2) Clarify information regardless of transfer of listed shares on offer from trust banks or securities companies or the Securities Exchange or the Lao Securities Commission Office, if necessary;
- 3) Open securities accounts in securities companies or trust banks, which are membership of the Securities Exchange;
- 4) Pay fee obligations regardless of transfer of listed shares in this Decision;
- 5) Pay the charges to the Lao Securities Commission office for the case of prohibition the laws and regulations verified in this is Decision and return all received shares to securities companies or trust banks for the case of transferee is a customer in trust banks;
- 6) Fulfill other rights and duties as defined by the Lao Securities Commission Office.

Article 20 Rights and Duties of Trust Banks

Trust banks have the following rights and duties:

- 1) Consider and verify correctness and completeness of the requests and accompanying documents prior submitting to securities companies for consideration;
- 2) Execute finding and requesting for more information of transferors to certify the entity of transferors if necessary, prior submitting to securities companies for consideration;
- 3) Provide complete and accurate information of transferors and transferees verified in this Decision, other related laws and regulations, and as upon the requests of securities companies or the Securities Exchange or the Lao Securities Commission Office;
- 4) Coordinate and collaborate regardless of transfer of listed shares with transferors, transferees, securities companies, the Securities Exchange and the Lao Securities Commission Office;
- 5) Fulfill other rights and duties as defined by the Lao Securities Commission Office.

Article 21 Rights and Duties of Securities Companies

Securities Companies have the following rights and duties:

- 1) Consider and verify correctness and completeness of the requests and accompanying documents before submitting to securities companies for consideration;
- 2) Execute finding and requesting for more information of transferors to certify the entity of transferors if necessary, prior submitting to securities companies for consideration;
- 3) Provide complete and accurate information of transferors and transferees verified in this Decision, other related laws and regulations, and as upon the requests of securities companies or the Securities Exchange or the Lao Securities Commission Office;
- 4) Coordinate and collaborate regardless of transfer of listed shares with transferors, transferees, the Securities Exchange and the Lao Securities Commission Office;
- 5) Notify to the Securities Exchange in order to transfer of listed shares from securities accounts to investors after investors settle the net receipts and payments, for the case

- of no advanced for the securities transaction after the time of clearing and settlement via the electronic system based on T+2;
- 6) Fulfill other rights and duties as defined by the Lao Securities Commission Office.

Article 22 Rights and Duties of the Securities Exchange

The Securities Exchange has the following rights and duties:

- 1) Consider and verify correctness and completeness of the requests and accompanying documents before consideration on transfer of listed shares;
- 2) Execute finding and requesting for more information of transferors to certify the existence of transferors if necessary, prior submitting to securities companies for consideration;
- 3) Provide complete and accurate information of transferors and transferees verified in this Decision, other related laws and regulations, and as upon the requests of securities companies or the Securities Exchange or the Lao Securities Commission Office;
- 4) Coordinate and collaborate regardless of transfer of listed shares with transferors, transferees, trust banks, securities companies, and the Lao Securities Commission Office;
- 5) Propose to the Lao Securities Commission Office for the case of the Lao Securities Exchange verifies that the requests are not defined in this Decision;
- 6) Process transfer of listed shares and share registration in compliance with process and regulation of the Securities Exchange;
- 7) Notify results of transfer of listed shares to securities companies and trust banks in order for securities companies and trust banks to notify to transferors and transferees;
- 8) Refuse to requests of listed shares transfer for the case of incomplete conditions of transfer of listed shares and documents, which verified in Article 11 and Article 13 in this Decision, the official notification of results shall include the reasons;
- 9) Collect fees concerned with transfers of listed shares in compliance with regulation;
- 10) Fulfill other rights and duties as defined by the Lao Securities Commission Office.

Article 23 Rights and Duties of the Lao Securities Commission Office

The Lao Securities Commission Office has the following rights and duties:

- 1) Consider and verify correctness and completeness of the requests and accompanying documents in respect of the proposal of the Securities Exchange;
- 2) Execute finding and requesting for more information of transferors to certify the entity of transferors if necessary, prior submitting to securities companies for consideration;
- 3) Notify results of transfer of listed shares to the Securities Exchange;
- 4) Execute creating and improving the decision of fee and charge obligations;
- 5) Fulfill other rights and duties as defined by the Lao Securities Commission.

Section IV Fees And Prohibitions of Listed Share Transfers

Article 24 Fees of Listed Share Transfers

The forms of fee charges of listed share transfers are verified in specific regulation.

The fee charges of listed share transfers shall be excerpted for the case of selling-buying transactions without an advance payment in accordance with the time of clearing and settlement T+2.

Article 25 Determination of Prices of Listed Share Transfers to Set Fee Charges

The prices of listed share transfers in order to set the fee charges shall be the closing prices in the day of confirmation on listed share transfers by the Securities Exchange.

Article 26 Prohibitions for Transfers of Listed Shares

Transferors, transferees, trust banks, securities companies, the Securities Exchange, the Lao Securities Commission Office and other related parties are prohibited to have the following practices directly or indirectly:

1. Provide inaccurate information or accompanying documents or certifications regardless of transfer of listed shares;
2. Transfer of listed shares which are suspended or sequestered by the competent authority;
3. Transfer of listed shares without permission of shareholders;
4. Take advantage of loopholes in laws and regulations to avoid orders to buy-sell listed shares in the Securities Exchange;
5. Transfer listed shares to transferee in order for transferee to have controlling power;
6. Use of deception, violence and coercion to transferor or transferee to transfer of listed shares;
7. Transfer listed shares in conflict of this Decision and other related laws and regulations;
8. Delay the process of registration of listed share transfers without inadequate reasons;
9. Other prohibitions as defined by the Lao Securities Commission Office.

Section V Policy towards Outstanding Performers And Measures against Violators

Article 27 Policy towards Outstanding Performers

Transferors, transferees, trust banks, securities companies, the Securities Exchange, the Lao Securities Commission Office and other relevant parties regardless of listed share transfers which have outstanding performance applied this Decision shall be rewarded with Reward Certificate or other appropriate compensations according to specific regulations.

Article 28 Measures against Violators

Transferors, transferees, trust banks, securities companies, the Securities Exchange, the Lao Securities Commission Office and other relevant parties prohibit this Decision and other related laws and regulations, resulting in damages to the State, society, persons or legal entities shall be educated, sanctioned and fined, and shall compensate for their civil damages and

sanctions as verified in Article 166, Article 167, Article 168, Article 169, and Article 170 of Law on Securities, and shall be measured as following:

Trust banks or securities companies or the Securities Exchange acts as conflict with the prohibition in Article 26 and other prohibitions in this Decision shall be fined 30% of the value of listed share transfers, and all amount of listed share transfer shall be returned to transferors. For the case of listed share transfers could not return or all amount of listed share transfers could not return, trust banks or securities companies or the Securities Exchange shall compensate on the basic of transfer of entire listed shares to transferors.

Transferors, transferees and other related parties acts as conflict with prohibition in Article 26 and other prohibitions verified in this Decision shall be fined 10% of the value of listed share transfers. Transferees must return all amount of listed share transfers received from transferors to securities companies or trust banks for the case of transferee is a customer in trust banks.

Section VI Final Provisions

Article 29 Implementation

Transferors, transferees, trust banks, securities companies, the Securities Exchange, the Lao Securities Commission Office and other related parties regardless of listed share transfers must be aware of and implement this Decision strictly within their rights and duties.

Article 30 Effectiveness

This Decision replaces the Regulation on Transfer of Listed Shares No. 006/LSC, date 20 September 2013. .

This Decision is effective since the date of signature and after ten working days registered in annals.

Chairman of the Lao Securities Commission

(Signed and Sealed)

Somdy Duangdy