



**LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

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Lao Securities Commission

Ref. No. 0024/LSC
Vientiane capital, dated: 26 Oct 2016

**Decision
on Board of Directors of Listed Company**

- Pursuant to Law on Securities, No. 21/NA, dated 10 December 2012;
- Pursuant to Law on Enterprise (amended), No. 46/NA, dated 26 December 2013;
- Pursuant to Decree on Organization and Operations of Lao Securities Commission, No. 188/PM, dated 24 July 2013;
- Pursuant to the proposal of Lao Securities Commission Office, No. 0149./LSCO, dated 13 October 2016.

**The Chairman of Lao Securities Commission hereby
Issues the following Decision:**

**Section 1
General Provisions**

Article 1 Objectives

This Decision sets forth the principles, organizational structure and activities of the board of directors of listed companies to protect the rights and interest of the shareholders with the aim of ensuring efficient, transparent, orderly operations of the board of directors and ensuring its compliance with regional and international principles.

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 Board of Directors

Board of Directors refers to an organizational machinery of a listed company which acts as representative of shareholders in governing, setting policies and making decisions on important business operations of a listed company as prescribed in the laws and regulations or resolutions of shareholders' meetings of a listed company.

Article 3 Explanation of Terms

The terms used in this Decision shall have the meaning as follows:

1. **Members of the Board of Directors** refer to the chairman, vice-chairman and directors of the board of directors;
2. **Committee of the Board of Directors** refers to the specialized committee of a listed company which is in charge of carrying out specific work for the board of directors;
3. **Executive Director of the Board of Directors** refers to the member of the board of directors of a listed company who assumes the post of chief executive officer;
4. **Non-Executive Director of the Board of Directors** refers to the member of the board of directors of a listed company who does not assume the post of executive officer;
5. **Independent Director** refers to the member of the board of directors of a listed company who has no relation with the interest of the company and can give opinions independently;
6. **Major Shareholder** refers to the person who holds the shares in a listed company of at least ten percent of the total number of shares.

Article 4 Principles of Operations of the Board of Directors

The board of directors shall comply with the following principles:

1. Protecting the interest of the shareholders;
2. Ensuring transparency and fairness;
3. Ensuring duty of loyalty;
4. Ensuring legal accountability;
5. Exercising the rights and performing the duties with duty of care.

Article 5 Scope of Application

This Decision shall apply to listed companies, board of directors, members of the board of directors, committees of the board of directors and relevant parties.

Section 2 Organizational Structure of the Board of Directors

Article 6 Personnel Structure of the Board of Directors

The personnel of the board of directors shall consist of at least five members and shall comprise independent directors of at least one-third of the total number of members of the board of directors.

The personnel of the board of directors shall compose of:

1. Chairman;
2. Vice-Chairman;
3. A number of Directors.

Article 7 Conditions for Members of the Board of Directors

Members of the board of directors shall satisfy the following conditions:

1. Having diverse knowledge, skills, experiences, sexes and ages;
2. The chairman and vice-chairman of the board of directors of the listed company shall not be the chief executive officer of the listed company;
3. Not assuming the position of deputy chief executive officer of the listed company;
4. Never been discharged from the position of member of board of directors of other enterprise;
5. Never been bankrupt by the court's decision; never been sentenced by a court for the offences, such as: theft, fraud, embezzlement, forgery, accepting or giving bribe, corruption or money laundering or being under the process of criminal proceeding;
6. A member of the board of directors who assumes the position of chief executive officer of a listed company must not be a member of the board of directors in more than two other enterprises;
7. Being member of the board of directors in more than four other companies;
8. Being a person with full capacity to act; not being insane;
9. Possessing other conditions as determined by Lao Securities Commission Office.

A member of the board of directors who is an independent director shall, besides the conditions stipulated in Paragraph 1 through Paragraph 9 of this Article, satisfy additional conditions as follows:

1. Not holding the shares of more than one percent of the total number of shares of the listed company;
2. Not being a chief executive officer, deputy chief executive officer of a sole limited company and not holding shares in other enterprise of fifty percent or more of the total number of shares of the enterprise, unless getting an approval from the shareholders' meeting. In case he/she had previously been a chief executive officer, deputy chief executive officer of a sole limited company and held the shares in other enterprise of at least fifty percent of the total number of shares of the enterprise, he/she is required to be discharged from such position for at least two years;
3. Not being a member of the board of directors in the enterprise which provides professional services of accounting, finance, investment, legal and other services that may not allow him/her to give opinions independently to the company in which he/she is an independent director;
4. Not being a major customer or a major supplier of the listed company and of other company that the listed company holds the shares of not less than fifty percent of the total number of shares;

5. Not being a related person or juristic person or in case of being a related person and juristic person, the transactions must be carried in compliance with the relevant regulations;
6. Possessing other conditions as determined by Lao Securities Commission Office.

Article 8 Nomination of Candidates for Members of the Board of Directors

A shareholder or a group of shareholders who holds or collectively holds the shares of at least five percent of the total number of shares of the listed company shall have the right to propose the names of the candidates for members of the board of directors to the nominating committee for consideration and submitting to the board of directors before presenting to the shareholders' meeting for consideration and approval.

Article 9 Appointment of Members of the Board of Directors

The members of the board of directors are appointed by the shareholders' meeting.

In case where the post in the board of directors becomes vacant, the remaining members of the incumbent board of directors shall continue to perform their duties for the remaining period of their term of office.

In case where the post in the board of directors becomes vacant and, as a result, the remaining members of the board of directors is lower than half of the total number of members of the board of directors, the board of directors must propose to convene the shareholders' meeting for appointing members of the board of directors to be more than half or to fully fill up the vacant positions. The term of office of the newly appointed members of the board of directors shall be equal to the remaining period of the term of office of the incumbent board of directors.

Article 10 Rights and Duties of the Board of Directors

Apart from the rights and duties of the board of directors provided in Article 135 of the Law on Enterprise, the board of directors shall have additional rights and duties as follows:

1. To develop and amend strategic plan, set out direction and operations plan, formulate the annual budget plan, risks management policy and annual business plan for submitting to the shareholders' meeting for consideration and approval;
2. To follow-up and evaluate the implementation of the strategic plan, operations plan, annual budget plan, annual business plan and risks management policy;
3. To follow-up and evaluate on high value investment, related party transactions, acquisition and disposition of assets;
4. To develop risks management mechanism and system and undertake the monitoring and evaluation;
5. To clearly separate mandates, rights, duties and responsibilities between the board of directors and the executives of the listed company;
6. To research and set out corporate governance policy;
7. To ensure the implementation of accounting and reporting and internal audit system as prescribed in the relevant regulations;

8. To elaborate and implement the resolutions of the shareholders' meeting in a faithful, careful and responsibly manner and ensure fairness and equality for shareholders;
9. To appoint the committees of the board of directors of the listed company, such as: an audit committee, risks management committee, remuneration committee, nominating committee and other committee(s) as deemed necessary;
10. To assign or allocate the tasks and responsibility to each member of the board of directors and the secretary of the listed company;
11. To appoint, transfer or dismiss chief executive director of the listed company based on the approval of the shareholders' meeting;
12. To consider appointing or dismissing deputy chief executive officer based on the proposal of chief executive director of the listed company;
13. To appoint secretary of the listed company to undertake the tasks assigned by the listed company or board of directors;
14. To research and consider remuneration of the chairman, vice-chairman, directors, committees of the board of directors, chief executive officer and deputy chief executive officer for submitting to the shareholder's meeting for consideration and approval pursuant to the recommendation of the remuneration committee and based on the optimal benefit of the listed company and the shareholders;
15. To propose the distribution of net profit to various reserves, dividend and staff allowances to the shareholder's meeting for consideration and approval;
16. To learn, monitor and research methods of solving the disputes relating to the interest of the listed company;
17. To present annual report and financial statements to the shareholder's meeting for consideration and approval;
18. To give clarifications, answers to questions regarding the details of the operations of the listed company to the shareholders' meeting;
19. To report on the activities of the listed company to the shareholders' meeting;
20. To disclose shareholding proportion of the listed company in other enterprises and shareholding proportion of other enterprises in the listed company which holding at least five percent and also disclose the increased or decreased amount of holding during accounting year;
21. To evaluate the performance of duties of the board of directors;
22. To disclose information to the public regarding the names of the chairman, vice-chairman, members of the board of directors, number of meeting sessions, number of attendance of the chairman, vice-chairman, each director at the meetings of the board of directors and summary report on the performance of the board of directors in the annual report;
23. To monitor the disclosure of information and communication with the shareholders in an appropriate manner;
24. To exercise other rights and perform other duties as determined in relevant laws and regulations.

Article 11 Rights and Duties of Chairman of the Board of Directors

The Chairman of the Board of Directors has the following rights and duties:

1. To sign important documents of the listed company according to the approval of shareholders' meeting or relevant laws and regulations;

2. research and determine the agenda of the meeting of the board of directors;
3. To deliver the meeting agenda to the members of the board of directors;
4. To chair the meeting of the board of directors;
5. To provide the opportunity for members of the board of directors to exchange opinions for resolving various problems of the listed company;
6. To provide the opportunity for shareholders to discuss on important issues of the listed company.

Article 12 Performance of Duties of the Members of the Board of Directors

The members of the board of directors shall perform their duties based on the following grounds:

1. Have the understanding of their duties and responsibilities as well as the business activities of the listed company;
2. Be responsible, careful, honest for making reasonable decisions based on adequate and accurate information to ensure optimal benefit for the listed company and the shareholders;
3. Exercise the rights and perform the duties as prescribed in the by-laws of the listed company; comply with the resolutions of the board of directors and the resolutions of the shareholder's meeting which are in line with the Decisions on regulations set out by Lao Securities Commission Office;
4. Be liable for the outcomes of the execution of their duties to the shareholders and not interfere in the day-to-day management activities of the listed company;
5. Perform the duties without conflict of rights and interest with the listed company and the shareholders, particularly the execution of the related party transactions and the acquisition and disposition of assets;
6. Disclose the proportion of their shareholding in the listed company and other companies that the listed company holds the shares or holds the shares of the listed company of at least five percent and also specifying the number that is increased or decreased during the Accounting Year;
7. Be liable for the loss occurred to the listed company that is under their responsibility;
8. Participate in the training course and seminar on management works, both inside the country and abroad, in order to develop knowledge and skills in every two years;
9. Other matters as specified in regulations of the listed company and in relevant laws.

Article 13 Term of Office of Members of the Board of Directors

The members of the board of directors have a term of office of two years from the date of obtaining approval from the shareholders' meeting and can be reappointed.

Members of the Board of Directors having nearly completed the two-year term, the board of directors must propose to convene the shareholders' meeting for approving the new board of directors members before the term of office the incumbent board of directors members is ended.

In case where the two-year term of the incumbent board of directors members is ended, but the shareholders' meeting has not yet approved the new board of directors

members, the incumbent board of directors members must continue to perform the duties until new board of directors members are approved, but shall not exceed one year.

An independent member of the board of directors is entitled to assume the post for a maximum of four terms continuously, except in case there is a violation of laws and regulations. An independent member of the board of directors who has assumed the post for four terms continuously can be reappointed after a lapse of one term.

Article 14 Discharge from Position of Member of the Board of Directors

A member of the board of directors will be discharged from the position in any of the following cases:

1. The term of office comes to an end;
2. Have not attended the meetings of the board of directors; the number of attendance is less than half of the number of board of directors meetings held during the period of the Accounting Year;
3. The shareholders' meeting passed a resolution to dismiss from the post;
4. There is a court's decision or judgment which is definitely enforceable;
5. Have not complied with the rights and duties of the board of directors as stipulated in Article 10, and with the duties of the members of the board of directors as stipulated in Article 12 of this Decision;
6. Death, resignation, failure to satisfy the conditions for members of the board of directors as prescribed in Article 7 of this Decision.

In the case where the chairman, vice-chairman and director wishing to resign from the post, they must notify the board of directors and the listed company in advance for at least thirty days.

Article 15 Notice on the Change in the Personnel Structure of the Board of Directors

The change in the chairman, vice-chairman and one or all director (s) of the listed company must be reported in writing to Lao Securities Commission Office within three working days and this change must be disclosed to the public within twenty-four hours from the date of change.

**Section 3
Committees of the Board of Directors**

Article 16 Committees of the Board of Directors

The committees of the board of directors consist of the following:

1. Audit Committee;
2. Risks Management Committee;
3. Remuneration Committee;
4. Nominating Committee;
5. Other committee (s), as deemed necessary.

A listed company having asset value of more than one thousand two hundred million Kip (1,200,000,000 Kip) per year or a revenue of more than one billion Kip (1,000,000,000 Kip) per year must have committees of the board of directors as specified in paragraph one of this Article. A listed company having asset value of less than or equal

to one thousand two hundred million Kip (1,200,000,000 Kip) per year or a revenue of less than or equal to one billion Kip (1,000,000,000 Kip) per year must have at least the audit committee and risks management committee.

Article 17 Appointment of Committees of the Board of Directors

The committees of the board of directors are appointed by the chairman of the board of directors according to the agreement of the board of directors for the purpose of ensuring transparent and efficient business operations of the listed company.

Article 18 Personnel Structure of Committees of the Board of Directors

The personnel structure of the committees of the Board of Directors shall consist of the following:

Each committee of the board of directors shall compose of at least three persons, of these, members of board of directors who are independent directors must be more than one-third of the total number. The head of each committee of the board of directors must be a member of the board of directors or an independent director of the board of directors.

Members of the audit committee shall consist of members of the board of directors who do not assume the post of chief executive officer. They must be members of the board of directors or independent directors of the board of directors and must be persons possessing knowledge, skills and experiences in accounting and audit works.

The committees of the board of directors shall hold their meetings at least twice in a year, except the audit committee which must hold its meeting at least four times in a year.

Article 19 Rights and Duties of the Audit Committee

The audit committee shall have the following rights and duties:

1. Financial Statements and Disclosure of Information:

- 1.1 To review the financial statements of the listed company to ensure that their contents are complete, correct and conformed with the standards of financial reporting;
- 1.2 To enquire the audit company or the auditor about important issues that may affect the credibility of the financial statements of the listed company;
- 1.3 To conduct the audit of the related party transactions or the transactions with potential conflict of interest in order to allow these transactions to be conducted in accordance with relevant regulations;
- 1.4 To enquire about the report and disclosure of information of the listed company to ensure compliance with relevant regulations.

2. Internal Control:

To ensure that an effective internal control system is put in place and the internal auditor undertakes the assessment of the whole internal control system at least once in a year.

3. External Audit Company:

- 3.1 To ensure the independence of the external auditor as well as the quality, independence, relation in all fields with regard to the audit company which will provide the services to the listed company;
- 3.2 To study and define the scope of the audit; consider the selection of the external auditor, audit charge; and propose the termination of agreement with the external auditor to the board of directors for submitting to the shareholders' meeting for consideration and approval;
- 3.3 To monitor the progress in dealing with shortcomings specified in previous audit reports;
- 3.4 To enquire the scope of operations of the external auditor and internal auditor in order to prevent the overlapping of operations.

4. Internal Auditor:

- 4.1 To ensure the independence of the internal auditor;
- 4.2 To directly guide the internal audit unit, but the performance of daily works shall be under the direction of the chief executive officer;
- 4.3 To enquire and review the internal audit mechanism and system regularly;
- 4.4 To enquire about the internal audit report and hold secret meeting with the person in charge of internal audit works to question about the interference of the executives and management of departments which may affect the independence and the decision of the internal auditor;
- 4.5 To enquire and consider the major shortcomings being found and resolving methods, jointly with the executives and the management of relevant departments;
- 4.6 To evaluate the performances of the chief of internal audit department;
- 4.7
- 4.8 To enquire the chief of internal audit department about the effectiveness of the use of assets of the listed company to ensure compliance with the by-laws of the company and with the resolutions of the board of directors and shareholders' meetings.

5. Compliance:

- 5.1 To review the implementation of the Law on Securities, related laws and other relevant legislation;
- 5.2 To enquire whether the members of the board of directors and the management committee of the listed company have taken into account the major risks and the operations-related risks.

6. Evaluation of Performances:

- 6.1 To evaluate the implementation of the annual works of the audit committee;
- 6.2 To disclose information in the annual report relating to the names of members of the audit committee, the number of meeting sessions of the audit committee, the number of attendance of each member of the audit committee,

the results of the evaluation of the audit committee and the summary of activities of the audit committee.

7. Other Rights and Duties:

- 7.1 To consider and provide opinions on the appointment and removal of chief of internal audit department prior to the chief executive officer consider to appoint or remove such a person;
- 7.2 To enquire on level of major risks and assessment methods of internal auditor in comparison to those of the external auditor;
- 7.3 To report its performances to the board of directors and the shareholders' meeting;
- 7.4 To attend every meeting of the board of directors to give opinions on related party transactions, acquisition or disposition of assets, nomination and determination of service charge of the external auditor;
- 7.5 To develop budget plan related audit work plan;
- 7.6 To give opinions relating to financial matters and other issues based on request of members of the board of directors or executives;
- 7.7 To exercise other rights and perform other duties as assigned by the board of directors.

Article 20 Rights and Duties of the Risks Management Committee

The risks management committee shall have the following rights and duties:

1. To conduct research on the risks management policy, particularly control on risks relating to economic-finance, marketing, liquidity, operational risks and other risks which may directly or indirectly affect the listed company for submitting to the board of directors for consideration;
2. To review on risks management policies and risks control of the business groups including the control, monitoring and evaluation of the risks of the business groups;
3. To prepare its operations plan in line with the risks management policy to ensure the execution of the control, monitoring and evaluation works so as to manage the risks at a reasonable level;
4. To review, modify or improve risks management policies in each period to ensure efficiency in reducing the risks that may occur to the listed company;
5. To request for information relating to risks management and may hold meetings with relevant parties of the listed company;
6. To summarize and report its performances to the audit committee and the board of directors on a monthly or quarterly basis or based on necessity;
7. To disclose information in annual report relating to the names of members of risks management committee, the number of meeting sessions of risks management committee, number of attendance of each member of risks management committee and the summary of activities of risks management committee;
8. To exercise other rights and perform other duties as assigned by the board of directors.

Article 21 Rights and Duties of the Remuneration Committee

The remuneration committee shall have the following rights and duties:

1. To set out principles and forms of payment of remuneration;
2. To conduct research on remuneration of the board of directors and executives for submitting to the shareholders' meeting for approval;
3. To conduct research on remuneration of the head and deputy-head of departments for submitting to the board of directors for approval;
4. To report its performances to the board of directors and the shareholders' meeting;
5. To disclose information in annual report relating to the names of members of remuneration committee, number of meeting sessions of remuneration committee, number of attendance and outcomes of the evaluation of remuneration committee and summary of activities of remuneration committee;
6. To exercise other rights and perform other duties as assigned by the board of directors.

Article 22 Rights and Duties of Nominating Committee

The nominating committee shall have the following rights and duties:

1. To set out principles and procedures relating to the nomination of personnel to assume the posts in the board of directors; these principles and procedures must be transparent and examinable;
2. To examine qualifications, knowledge, experiences and appropriateness based on the conditions stipulated in Article 7 of this Decision;
3. To propose the names of the selected persons to the board of directors for consideration and for submitting to the shareholders' meeting for consideration and approval;
4. To report its performances to the board of directors;
5. To disclose information in annual report relating to the names of members of nominating committee, number of meeting sessions of nominating committee, number of meeting attendance of each member of nominating committee and results of evaluation of nominating committee and the summary of activities of nominating committee;
6. To exercise other rights and perform other duties as assigned by the board of directors.

Article 23 Register of the Board of Directors

The listed company must create the information register of the board of directors and keep it in the head-office of the listed company and appoint the company's secretary to take charge of keeping this register.

The contents of the register of the board of directors shall compose of basic information as follows:

1. Biography;
2. Position in the board of directors;
3. Date, month and year of being elected or ended to assume the post of chairman, vice-chairman or director;

4. Types, value and number of shares held by the chairman, vice-chairman and each director.

Section 4

Meeting of the Board of Directors

Article 24 Meeting of the Board of Directors

The quorum of the board of directors' meeting shall be at least half of the total number of the board of directors.

The meeting of board of directors shall be chaired by the chairman of the board of directors. In case the chairman is unable to attend the meeting, he shall empower the vice-chairman or select a director to be the chairperson of such meeting. The meeting of board of directors shall be held at least four times in a year. In necessary case, the board of director may hold extraordinary meetings of the board of directors.

A member of the board of directors shall attend the board's meeting by himself/herself. In case any member of the board of directors is unable to attend the board's meeting, he/she may authorize a representative to attend the meeting on his/her behalf and such a representative must assume a post as deputy chief executive officer.

Article 25 Preparation of Agenda of the Meeting of the Board of Directors

The chairman of the board of directors is charged with the preparation of the agenda of the board of directors' meeting, such as: the content of each agenda to be presented to the board of directors' meeting, the voting method for each agenda, etc.

Article 26 Delivery of Invitation to the Meeting of the Board of Directors

The chairman of the board of directors must send the meeting invitation together with the meeting agenda and related documents at least seven working days before the opening of the meeting of the board of directors, except in necessary case to protect the rights and interest of the listed company.

Article 27 Convening the Meeting of the Board of Directors

The chairman of the board of directors is charged of convening the meeting of the board of directors or vice-chairman and director of at least two directors shall have the right to propose to the chairman of the board of directors to convene the board of directors' meeting and, in this case, the chairman of the board of directors must fix the date and time of the meeting of the board of directors within fourteen days from the date of proposal made by directors.

Article 28 Voting of the Board of Directors' Meeting

For the voting in each agenda, a member of the board of directors shall have one vote. Any member of the board of directors who has the interest in the matter to be voted shall not be entitled to vote in that agenda.

In case of equal votes, the chairperson of the meeting of the board of directors shall cast one more vote for making the decision.

Authorized representative of the member of the board of directors is entitled to make clarifications, explanations and give opinions, but has no right to vote.

Article 29 Resolutions of the Board of Directors' Meeting

A resolution of the board of directors' meeting will be effective only when it receives the approved votes of more than half of the members of the board of directors attending the meeting or as specified in each agenda of the meeting of the board of directors.

The resolution of the meeting shall be kept by the secretary of the company in the head-office of the company to be available for the shareholders to see or inspect.

Article 30 Minute of Meeting of the Board of Directors

The minute of meeting of the board of directors shall be made by the secretary of the listed company and kept in the head-office of the listed company to be available for the shareholders to see or inspect, except the documents or information which are the trade secrets of the company.

**Section 5
Prohibitions, Exemptions and Claim**

Article 31 Prohibitions for the Board of Directors

The board of directors is prohibited from performing the following acts, whether directly or indirectly:

1. Undertaking the same type of business to compete with the listed company, whether for its own interest or for the interest of another person or juristic person, except in case of getting approval from the shareholders' meeting;
2. Becoming a shareholder or major shareholder of a private enterprise or a sole limited company or other enterprises which undertake the same type of business as the listed company in which he/she is a member of the board of directors, except in case of getting approval from the shareholders' meeting;
3. Buying and selling assets of or conducting business with the listed company which is in violation of relevant regulation such as the Decision on Related Party Transactions;
4. Borrowing money from the listed company by oneself or by related person;
5. Disclosing or using confidential information of the listed company;
6. Opportunistically using the function, position, seal and assets of the listed company for personal benefit or for the benefit of another person;
7. Buying and selling securities during a period of one month prior to the date of disclosure of financial statements of the listed company to the public;
8. Other acts as provided in relevant laws and regulations.

Article 32 Liabilities Exemption of the Board of Directors

The board of directors will be exempted from liabilities in the following cases:

1. Having proved that it has performed its duties or conducted the relevant transaction pursuant to the resolution of the board of directors despite that it had

- voted against such resolution and this is recorded in the minute of the board of directors meeting;
2. Suffering damage or having shortcomings from the performance of its duties because it had raised the objection and had not voted for that resolution or there is an assignment according to the resolution of the shareholders' meeting that conflicts with the law;
 3. The shareholders' meeting has a resolution of approval and such a resolution has implemented for sometimes, but such resolution is changed or terminated in a later date, the member of the board of directors shall not be liable for such action to the listed company, the shareholder or the creditor of the listed company shall be exempted from being liable.

Article 33 Claim of the listed Company and Shareholders Against the Board of Directors

The board of directors must be liable for the rights and interest of the listed company and the shareholders in case of non-performance of its duties or abuse of its rights and functions that causes or may causes damages to the company and shareholders and violate the prohibitions specified in Paragraphs 3, 5 and 6 of Article 31 of this Decision. The listed company and a shareholder can make the claim for the cost of damage from the board of directors, suspend the project and request for payment of the compensation of damage in case the board of directors fails to perform in accordance with the shareholders' claim. shareholder (s) who holds or collectively holds the shares of not less than five percent of the total number of shares shall be entitled to file a claim to the court.

Section 6

Awards for good Performers and Measures against Violators

Article 34 Awards for Good Performers

Listed companies, board of directors, committees of the board of directors, secretary of the listed company, relevant persons, juristic persons and parties with outstanding performance in the implementation of this Decision shall receive the award and other benefits as prescribed in the specific regulation.

Article 35 Measures against Violators

Listed companies, board of directors, committees of the board of directors, and relevant parties who violate this Decision shall be subject to fine payment as follows:

1. In case the board of directors, as representative of the company, violate the prohibitions stipulated in Article 31 of this Decision, shall be fined for an amount ranging from fifteen million Kip to thirty million Kip (15,000,000 Kip to 30,000,000 Kip);
2. Listed company, board of directors, committees of the board of directors, and relevant parties violating the provisions of this Decision shall be fined for an amount ranging from five million Kip to fifteen million Kip (5,000,000 Kip to 15,000,000 Kip).

Section 7
Final Provisions

Article 36 Implementation

Lao Securities Commission Office, listed companies, board of directors, members of board of directors, committees of the board of directors, executives, company's secretary and relevant parties shall acknowledge and strictly implement this Decision in accordance with the scope of their respective rights and duties.

Article 37 Effectiveness

This Decision is effective from the date of signing and after being disclosed in the official Gazette for fifteen days.

Chairman
of Lao Securities Commission

(signature and seal)

Somdy Douangdy