

Headquarters

No.: 001/BCEL/2021.....  
Vientiane Capital, dated 21 May 2021

**ARTICLES OF ASSOCIATION  
OF BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC  
(REVISED VERSION 2021)**

- Pursuant to the Law on Enterprises, No. 46/ NA, dated December 26, 2013;
- Pursuant to the Law on Commercial Bank, No. 56/NA, dated December 07, 2018;
- Pursuant to the Law on Securities, No. 79/NA, dated December 03, 2019;
- Pursuant to the Agreement of the Securities Management Committee on the Board of Directors, No. 0010/SMC, dated April 26, 2019;
- Pursuant to the Shareholders' Meeting Resolutions of BCEL, dated April 30, 2021.

**Chapter 1  
General Principles**

**Article 1: Purpose**

This Articles of Association defines the roles, authorities, duties, organizations and operations of BCEL in regards to the shares, Shareholders, the Board of Directors, the Board of Executive, employees, benefit sharing, dispute resolution, dissolution and liquidation of BCEL and it shall act as legal references for the business operation as stated herein.

**Article 2: Definitions (Revised)**

In this Articles of Association, unless otherwise stated, the terms below shall have the following meanings:

- 2.1. **Registered Capital** is referred to the capital contributed by every shareholders and is stated in Article 9 of this Articles of Associations;
- 2.2. **Management** is referred to the members of the Board of Directors, Committees of the Board of Directors, Board of Executives, Chief of Division, Chief of Center, and Manager of BCEL's Branch;
- 2.3. **Executive Director** is referred to the Member of the Board of Directors of BCEL, who has the position of Directors, Chief of Division, Chief of Center, Chief of the Branch or equivalent in BCEL;
- 2.4. **Non-Executive Director** is referred to the Member of the Board of Directors, who does not hold any positions at BCEL;
- 2.5. **Independent Director** is referred to the Member of the Board of Director, who does not involve in the management of BCEL, who does not have any influence on or any interest in BCEL such as business relation, family relation and others. The person can freely provide his/her opinion;
- 2.6. **Related Person** is referred to the management, principal shareholder, spouse, direct relative, person having business benefit with the management of BCEL

- or the principal shareholder of BCEL, including a person having significant benefit in other entity that has significant benefit with BCEL;
- 2.7. **Branch and Service Unit** are referred to parts of BCEL inside the country or overseas that perform all or some parts of the banking operations assigned by BCEL;
  - 2.8. **Affiliated Company** is referred to the company in which BCEL holds sufficient shares and has controlling power over such company;
  - 2.9. **Shares** refer to the capital of joint-enterprise or company divided in parts having inequivalent or equivalent value depending on the type of joint-enterprise or company as stated in the Law on Enterprise;
  - 2.10. **Ordinary Share** is referred to one type of shares in which the owner of the shares cannot withdraw the shares;
  - 2.11. **Preference Share** is referred to one type of shares in which the owner of the share, who has different rights and duties from the owner of an ordinary share, and can withdraw share;
  - 2.12. **Benefit from Holding Shares** is referred to the rights in ownership to the Registered Capital according to one's shares, rights to vote, rights to act, and rights to receive dividend from the shares that one hold;
  - 2.13. **Principal Shareholder** is referred to an individual or entity who directly or indirectly own shares starting from ten percent and above of the total shares and who is entitled to cast vote;
  - 2.14. **Dividend** is referred to the money shared among the shareholders in which the money is received from the net profit of BCEL after reserves deduction as stated in the laws of the Lao PDR and resolutions of the Shareholders' Meeting;
  - 2.15. **Lao PDR** is referred to the Lao People's Democratic Republic.

In this Articles of Association, the mentioning of or referencing to one or more provisions, terms or other documents shall include the amendment or changes of such provisions, terms and documents.

The titles of Chapters and Articles of this Articles of Associations are for the convenience in reading and referencing only and shall not have any impact on this Articles of Association.

The terms and contents explained above or used in this Articles of Association shall have the same meaning as the related terms and contents used in the Law on Enterprise, Law on Commercial Bank, including the laws and regulations applicable to BCEL.

### **Article 3: Bank's Name**

The name of the bank in accordance with this Articles of Association is:

- Name in Lao Language: “ທະນາຄານການຄ້າຕ່າງປະເທດລາວ ມະຫາຊື່ນ”, abbreviation: “ທຄຕລ”
- In English Language: “BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC”, abbreviation: “BCEL”.

### **Article 4: Address of the Headquarters**

Name of Building: Headquarters Building of Banque Pour Le Commerce Extérieur Lao Public. Address: No. 1, Pangkham Street, Xieng Nhuene Village, Chanthabouly District, Vientiane Capital. Telephone: (856-21) 213200-1, 223243-4, 217899, 222495. Fax: (856-21) 213202, (856-21) 223012, (856-21) 214944. Email: bcelhqv@bcel.com.la. PO Box: 2925.

The Address of BCEL's branches are stated in the Enterprise License.

#### **Article 5: Business Objectives (Revised)**

BCEL's business objectives are to operate financing and banking activities in compliance with the Law on Commercial Bank announced effective in each period time including receiving deposits, provide credits, provide payment, foreign currencies exchange, financial service, financial consultancy service and investment, provide safekeeping services for precious items and other business activities approved by the Bank of the Lao PDR and regulations issued by the Bank of the Lao PDR periodically.

#### **Article 6: Form of the Bank**

BCEL has a status of being a legal entity, a form of being a public company and operates under the Law on Commercial Bank and other relevant laws of the Lao PDR.

### **Chapter 2 Seal and Logo**

#### **Article 7: Seal**

BCEL has its own seal in an octagon shape, with "Bank of Lao PDR" written on the top, "Vientiane Capital" written on the bottom, "ທະນາຄານການຄ້າຕ່າງປະເທດລາວ ມະຫາຊື່ນ" and "BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC" written inside [of the seal].

The production, usage and management of the seal shall conform with and in compliance with the relevant laws.

#### **Article 8: Logo**

BCEL has its own specific logo and is legally trademarked. The trademark of BCEL is in circle shape with details as: the top has a blue background and yellow cassia fistula; the center of the circle is a red background with white letters written as "ທຄຕລ" and the bottom of the circle is a white background with blue letters written as "BCEL."

### **Chapter 3 Registered Capital, Share(s) and Shareholder(s)**

#### **Article 9: Registered Capital**

BCEL has a registered capital of 1.038.616.500,000 Kip (One Trillion Thirty-eight Billion Six Hundred Sixteen Million and Five Hundred Thousand Kip). The registered capital is from the capital contributed made by the shareholders.

BCEL shall ensure that the registered capital shall not be less than the amount stated by the laws. BCEL shall ensure that the capital shall be sufficient and shall be used in compliance with the laws of the Lao PDR.

BCEL has the shares value or the total paid up capital (registered capital) in the amount of 1.038.616.500.000 Kip and 1.038.616.500.000 Kip in cash.

In the mentioned paid-up capital (registered capital), the shareholders have already made the contribution.

#### **Article 10: Change of the Registered Capital**

BCEL can increase or decrease its registered capital based on the agreement made at the Shareholders' Meeting and with the written approval from the Bank of the Lao PDR in compliance with the applicable laws of the Lao PDR according to the followings:

10.1 Increase of the registered capital:

BCEL can increase the registered capital by issuing more shares, using the dividend, using the reserved fund and other methods in compliance with the applicable laws of the Lao PDR.

10.2 Decrease of the registered capital:

BCEL can decrease the registered capital based on the approval from the Bank of Lao PDR but it shall not be less than the standard set by the Bank of the Lao PDR.

After increasing or decreasing of the registered capital based on the approval from the Bank of the Lao PDR, BCEL shall proceed with the registration of the change made to the registered capital with the relevant government sector in compliance with the laws of the Lao PDR.

#### **Article 11: Shares**

BCEL has a total share of 207.723.300 shares (Two hundred seven million seven hundred twenty-three thousand and three hundred shares) and each share has a value of 5.000 Kip (Five Thousand Kip), equivalent to 1.038.616.500.000 Kip (One Trillion Thirty-Eight Billion Six Hundred Sixteen Million and Five Hundred Thousand Kip). The shares of BCEL cannot be withdrawn but its ownership can be changed in conformity with the laws of the Lao PDR.

The shares of BCEL consist of ordinary shares, in which all of the shares may change from time to time based on the increase or decrease of the registered capital as stated in Article 9 of this Articles of Association.

BCEL can issue preference shares and other type of shares after receiving approval from the Shareholders' Meeting in compliance with the laws.

#### **Article 12: Shares Certification**

BCEL shall monitor the shareholding in which such monitoring shall certify the amount of shares, type of shares and changes made to the shares.

The shareholders of BCEL shall have their shareholding certification in conformity with the relevant laws and the shareholding certification shall be in compliance with the applicable regulations of the Lao Securities Commission Office.

### **Article 13: Payment of the Registered Capital**

The shareholders shall pay for their shares in full amount in compliance with the laws of the Lao PDR.

### **Article 14: Shares Structure**

A local or foreign individual or entity can hold shares in BCEL in the proportion stipulated in this Articles of Association and the laws of the Lao PDR.

#### **Banque Pour Le Commerce Exterieur Lao Public has the shares structure as follows:**

- Ministry of Finance (Government's representative) holding 60% of the total shares
- COFIBRED (France) holding 10% of the total shares
- Shareholders buying-selling shares in the Lao Securities Exchange holding 30% of the total shares

### **Article 15: Rights of the Shareholders**

#### **15.1 Rights of Ordinary Shareholders are:**

- To attend the Shareholders Meeting and perform their rights in casting direct vote or via an authorized representative;
- To receive dividend according to the shares proportion and other [benefit] as stated in the laws of the Lao PDR;
- To transfer [their shares] to other individual in compliance with this Articles of Association and laws of the Lao PDR;
- To receive priority in buying new offered shares over external individual based on the proportion of the ordinary share according to their shareholding proportion with BCEL and according to the resolutions of the Shareholders' Meeting;
- To receive information on the activities of BCEL and ability to audit the inaccurate information;
- In the event that BCEL is dissolved, the shareholders shall receive the portion of the remaining assets according to the proportion of the shares they have held after BCEL paid its debt to the debtor and other type of shareholders in compliance with the laws of the Lao PDR;
- To propose and comment on the activities of BCEL;
- To perform other rights and duties as stated in the laws of the Lao PDR.

#### **15.2 Rights of preference shareholders.**

- To have the rights and duties as stated in Article 15, Clause 15.1 of this Articles of Association with the exception of the rights to vote directly or via an authorized representative in the Shareholders' Meeting;
- To receive the shared assets ahead of the shareholders of ordinary shares in the event that BCEL is dissolved;
- To perform other rights and duties as stated in the laws of the Lao PDR.

**15.3 The shareholders or group of shareholders that hold more than five percent (5%) of the total ordinary shares for a period of six (6) months consecutively or more shall have the following rights:**

- To appoint a representative to apply [for member] of the Board of Directors and Audit Committee of the shareholders in compliance with the regulations of BCEL;
- To propose to open an Extraordinary Shareholders Meeting, to inspect and to receive copies of the registration list of the shareholders who are authorized to attend and vote in the Shareholders' Meeting;
- To propose to the Audit Committee of the Shareholders to audit any issue related to the business management and administration of the bank when deem necessary;
- To perform other rights and duties as stated in the laws of the Lao PDR.

The proposal for an audit of the point 15.3 and the proposal to open the extraordinary meeting as stated in the Article 19 of this Articles of Association must be in writing form with the name and the surname, address, nationality, ID card number or the Passport or other relevant document in compliance with the law. In the event that the shareholder is an entity, [the identification document of] the person stated in the incorporation agreement or Enterprise License of such entity [must be provided] including the number of shares and the time of subscription of the shareholder, the total number of shares of the group of shareholders and the ownership proportion of the total shares of BCEL, issue and objective for the opening of the meeting or auditing.

**Article 16: Duties of a Shareholder**

The shareholder has the following duties:

1. To perform its rights and duties as stated in this Articles of Association and other relevant regulations of BCEL;
2. To perform according to the resolutions of the Shareholders' Meeting and the Board of Directors of BCEL;
3. To make full payment for the shares subscribed by the shareholder in conformity with the regulations of BCEL;
4. To provide accurate and clear information related to the shareholder when making the shares subscription;
5. To be responsible for its own action when there is an action that impact BCEL negatively as follows:
  - Violation to the laws;
  - Performance of business activity or other transaction for the benefit of his/herself, other individual, other organization or other entity which conflict with the regulations of BCEL and the laws of the Lao PDR;
6. To perform other rights and duties as stated in the laws of the Lao PDR.

**Article 17: Transferring of Share and the Change of New Share Certificate**

The transferring of share of BCEL shall be made in compliance with the Law on the Enterprise or other relevant regulations.

When the share of BCEL has been listed in the Lao Securities Exchange, the share transferring shall be based on the Law on Securities and other relevant regulations.

For the transferring of other securities, whether registered as securities and registered in the Lao Securities Exchange, the transferring shall be based on the Law on Securities and other relevant regulations.

In the event that BCEL assigns the Securities Depository Center of the Lao Securities Exchange to act as the Shares Registrar, the methods on the registration of the company shall be based on the share's registrar.

In the event the shareholder wants to change to a new Shares Certificate, it shall be done in compliance with the laws and relevant regulations.

## **Chapter 4 Organizational Structure of BCEL**

### **Article 18: Organizational Structure**

The organizational structure of BCEL consists of:

1. Shareholders' Meeting;
2. Board of Directors;
3. Committees of the Board of Directors;
4. General Managing Director;
5. Deputy Managing Director;
6. Divisions-Centers, Branches and Service Units
7. Employees of BCEL

### **Article 19: Shareholders' Meeting (Revised)**

The Shareholders' Meeting is the highest organization of BCEL and every shareholder that listed in the Shareholders Registration Book of BCEL are entitled to attend. There are two types of Shareholders' Meeting: Ordinary and Extraordinary.

#### **19.1 Ordinary Shareholders' Meeting**

The Ordinary Shareholders' Meeting shall be opened within four (4) months after the end of the accounting year. The Ordinary Shareholders' Meeting consists of the following rights and duties:

1. Approve the changes to the Articles of Association of BCEL requested by the Board of Directors;
2. Elect or remove the Chairman, Vice Chairman and the Member of the Board of Directors;
3. Agree on the remuneration for the Board of Directors Meeting and Audit Committee Meeting, salary, bonus and benefits for the Directors and employees of BCEL;
4. Approve the report, business operation plan and annual audit report per requested by the Board of the Directors;
5. Approve the business mergence, sales of the majority of assets or dissolution of BCEL requested by the Executive Board;
6. Approve the dividends and the setting up of various funds requested by the Board of Directors;
7. Perform other rights and duties as stated in this Articles of Association.

## **19.2 Extraordinary Shareholders Meeting**

The Extraordinary Shareholders Meeting may be opened when it is deemed to be necessary with the agreement from the Board of Directors, Audit Committee and the Shareholders or group of shareholders who hold more than ten percent (10%) of the total ordinary shares for a period of six (6) consecutive months or more under the following events:

1. The statement of financial position indicates the instability of BCEL such as the sufficient ratio of funds to the assets has a tendency to decrease or has decreased below the standard set by the Bank of the Lao PDR;
2. When the Members of the Board of Directors are less than the number stipulated in this Articles of Association or less than the number stipulated in the Law on Commercial Bank;
3. In the event that there is a believable reason that the management of BCEL seriously violate this Articles of Association or the laws of the Lao PDR which causes damage to BCEL and the shareholders;
4. Open the Shareholders' Meeting pursuant to the court's order;
5. Amendment and increase to the content of this Articles of Association;
6. Increase or decrease the Registered Capital;
7. Reorganization or dissolution (liquidation) related to BCEL and the appointment of liquidator;
8. Other cases as stated in this Articles of Association and the laws of the Lao PDR.

In every meeting, there shall be a written minutes of the meeting signed by the participants. For meeting held via teleconference or other kind of communication system authorized by the Bank of the Lao PDR, there shall be an audio and video recording for storage. When there is a need to agree on any matter, the Chairman of the Board of Directors may send a Circular Letter to the shareholders for voting without opening the Shareholders' Meeting.

### **Article 20: Participation in the Shareholders' Meeting and the Appointment of Representative.**

The shareholder who is entitled to participate in the meeting pursuant to the laws shall attend [the meeting] in person or appoint his/her representative. The participant shall register in order to identify oneself and to present the shares certification (for the shareholder) or power of attorney (for the representative) to the meeting or the General Managing Director prior proceeding with the meeting.

The appointment of the representative to each shareholders meeting, a written power of attorney must be made by consisting of the following details:

1. Name of the shareholder and name of the authorized representative;
2. The number of shares held by the shareholder that authorize the representative;
3. Schedule and location of the meeting and the scope of assignment. In the event there is a need to vote, it must be stated clearly regarding such authorization.

The representative has a vote equivalent to the vote of the assigner unless otherwise stated in the power of attorney. In the event of a deceased shareholder, the inheritor pursuant to the laws can attend the meeting.



## **Article 21: Notification on the Shareholders Meeting (Revised)**

Prior to the opening of the Ordinary Shareholders Meeting or Extraordinary Meeting, the Board of Directors or General Managing Director shall notify every shareholder regarding the date, schedule and venue of the meeting as well as sending out necessary documents related to the meeting at least twenty-one days (21 days) prior to the meeting. Furthermore, the notification for the Shareholders' Meeting shall be in compliance with the applicable regulations.

In the event the Shareholders' Meeting is postponed, the Board of Directors or General Managing Director shall do the same as paragraph one of this article. The notification to the shareholders shall be sent directly or via appropriate mean of communication.

## **Article 22: Requirement for the Shareholders' Meeting (Revised)**

The Shareholders' Meeting can proceed only when there are at least 2 shareholders or representatives holding more than fifty-one percent (51%) of the total ordinary shares.

When it is due to hold the Shareholders' Meeting, but the quorum is not met, the Shareholders' Meeting shall be postponed but no more than the next 1 hour. In case of the time is due, but there is still no quorum, the Chairman of the Shareholders' Meeting has the right to cancel the Shareholders' Meeting. The Meeting can be prepared to hold later by sending the invitation to the Shareholders' Meeting at least 5 days prior to the Meeting.

The Shareholders' Meeting shall be completed within 15 working days from the date of postponement. For the holding of the new Shareholders' Meeting, even if the quorum may not be complied, the meeting can be held.

The Shareholders or the group of the Shareholders, which hold the share more than five percent (5%) of the total shares, can propose to add the agenda to the Shareholders' Meeting.

## **Article 23: Voting and Resolutions of the Shareholders**

Voting is the casting of vote by the shareholders or assigned representative in order to approve any issue in the Shareholders' Meeting where one share is equivalent to one vote.

The resolutions of the shareholders have 2 characteristics: general resolution and specific resolution.

General resolution shall be valid only when more than half of the total votes in the Shareholders' Meeting is received.

Specific resolution shall be valid only when at least two-thirds of the total votes in the Shareholders Meeting is received and have at least eighty percent (80%) of the total paid shares.

### **Issues for Specific Resolutions are:**

1. Changes to the Articles of Association of BCEL;
2. Increase or decrease of the registered capital;

3. Merger or dissolution of BCEL;
4. Sale or transfer of the whole or some significant parts of BCEL's business;
5. Purchase or receipt of other enterprise's business;
6. Voting for other issues as stated in the laws of the Lao PDR.

The general resolution or specific resolution of the Shareholders' Meeting can proceed through closed or disclosed voting based on the agreement of each shareholders' meeting.

**Any shareholder may be limited his/her right to vote due to the following event**

1. A shareholder who does not present its shareholding certification to the meeting's chairperson or General Managing Director prior the Shareholders' Meeting unless otherwise agreed in the meeting;
2. A shareholder who is directly involved or would benefit from the issue to be approved and the determination of the shareholder according to the clause shall be agreed by the shareholders' meeting;
3. Other cases stated in BCEL's Articles of Association and laws of the Lao PDR.

**Article 24: Proposal for the Termination of the Shareholders' Meeting Resolutions**

The shareholders, Members of the Board of Directors and General Managing Director are entitled to propose to the court to terminate the Shareholders' Meeting Resolutions within sixty (60) days from the date of the resolutions in the event of:

1. The contents of the resolutions violate this Articles of Association and laws of the Lao PDR;
2. There is a breach to the regulations related to the Shareholders' Meeting Resolution;
3. There is a breach to the regulations related to the notification for the opening of the shareholders' meeting as stated in the relevant laws and regulations.

**Chapter 5  
Board of Directors**

**Article 25: Structure of the Board of Directors (Revised)**

The personnel of the Board of Directors shall consist of at least five members in which shall consist of independent members at least one-thirds of the total members of the Board of Directors.

**Personnel of the Board of Directors consist of:**

1. Chairman
2. Vice Chairman
3. Some directors (members)

**Article 26: Criteria for the Members of the Board of Directors (Revised)**

**Members of the Board of Directors of BCEL must have the following criteria:**

1. Knowledge, capacity, experience, various genders and ages;
2. The Chairman and Vice Chairman of the Board of Directors of BCEL shall not be the General Managing Director of BCEL;

3. Has never been removed from being members of the Board of Directors in other enterprise;
4. Has never been judged by the court as a bankrupt person; has never been charged by the court for offenses such as: theft, fraud, embezzlement, forgery, receive or give bribe, corruption or money laundry or in the process of criminal proceedings;
5. The members of the Board of Directors holding the position of General Managing Director of BCEL shall not hold the position as the member of the Board of Directors in more than two enterprises;
6. Held the position of the member of the Board of Directors in not more than four enterprises;
7. A person with good conscience with no mental illness;
8. Other criteria as stated by the Lao Securities Commission.

The members of the Board of Directors that hold the position of independent members, in addition to the criteria according to Clause 1 to 8 of this article, must have the following criteria:

1. Shall not hold shares more than one percent of the total shares in BCEL;
2. Shall not hold the position of General Managing Director, Deputy Managing Director of a sole limited company and shall not hold fifty percent or more shares of the total shares in other enterprise, unless otherwise approved by the Shareholders' Meeting. In the event that [the independent member] has held the position of General Managing Director or Deputy Managing Director of a sole limited company and has held fifty percent or more shares of the total shares in other enterprise, [such independent member] must be free from the mentioned positions for at least two years;
3. Shall not hold the position of a member of the Board of Directors in an enterprise that provide professional services in accounting, finance, investment, law and others which result in [the independent member] not being able to provide independent feedback to BCEL;
4. Shall not be the employee of the company or the group of the company or the same group of the company that the person is holding the member of the Board of Directors position in the past 3 years,
5. Shall not a major client or supplier of BCEL and other enterprise in which BCEL hold shares from fifty percent or more of the total shares;
6. Shall not be the member of the family or has the direct relations such as being father, mother, daughter/son or the spouse of the member of the Board of Directors who holds the managing position at BCEL;
7. An individual and entity that is not related or in the event the individual and entity are related, the transaction shall be in compliance with the relevant regulations;
8. Other criteria as stated by the Lao Securities Commission.

### **Article 27. Appointment and Data Registration of the Members of the Board of Directors.**

The Members of the Board of Directors shall be appointed or removed by the Shareholders' Meeting.

The Shareholders or the group of shareholders that collectively hold at least five percent of the total BCEL's are entitled to nominate the name of a person to apply for the member of the Board of Directors to the Nomination Committee for consideration then

propose to the Board of Directors prior submitting to the Shareholders' Meeting for approval. The nomination of the candidate shall be implement based on the following shares proportions follows:

- The Shareholder who holds five (5) to ten (10) percent: can nominate 1 person;
- The Shareholder who holds more than ten (>10) to twenty (20) percent can nominate 2 persons;
- The Shareholder who holds more than twenty (>20) to thirty (30) percent: can nominate 3 persons;
- The Shareholder who holds more than thirty (>30) to fifty (50) percent: can nominate 4 persons;
- The Shareholder who holds more than fifty (>50) to seventy (70) percent: can nominate 5 persons;
- The Shareholder who holds more than seventy (>70) percent: can nominate 7 persons;

In the event that a position in the Board of Directors is vacant, the remaining members of the Board of Directors shall perform their duties until the remaining term is complete.

In the event that a position in the Board of Directors is vacant which resulted in the number of the remaining members of the Board of Directors being less than half of the total members of the Board of Directors, the Board of Directors shall propose to hold a Shareholders' Meeting in order to appoint a member of the Board of Directors so that the number is more than half or to occupy the vacant position. The term of the newly appointed member of the Board of Directors shall be equivalent to the remaining term of the existing members.

BCEL must create the Board Registration of the Board of Directors and it must be kept at BCEL Headquarters along with the appointment of the Secretariat of the Board of Directors to keep such registration. The details of the Board of Directors' registration must include the basic information as follows:

1. Curriculum vitae;
2. Position in the Board of Directors;
3. Date of appointment as or removal from being the Chairman, Vice Chairman or Member;
4. Type, value and number of shares held by the Chairman, Vice Chairman and Member.

**Article 28: Rights and Duties of the Boards of Directors (Revised).**

The Board of Directors has the rights and duties as follows:

1. To develop, improve and approve the Risk Strategic Plan and the Risk Management Policy of BCEL in each area;
2. To research on improve the Organizational Structure Plan, Business Operation Plan, Annual Budgeting Plan and Business Plan to propose to the Shareholders' Meeting for consideration;
3. To monitor and evaluate the implementation of the Strategic Plan, Business Operation Plan, Annual Budgeting Plan, Risk Management Plan and the Annual Business Plan;

4. To consider and approve the investment, borrowing, lending in high value and loan restructuring according to regulations or the policies issued by BCEL;
5. To monitor and evaluate the high value investment, related party transactions, acquisition or sale of assets.
6. To create the mechanism and the system of risk management along with the auditing and reviewing methods;
7. Must clearly separate the right, duty and responsibility of the Board of Directors and the Board of Executive of BCEL;
8. To research and issue the policy on the Corporate Governance;
9. To ensure the implementation of the Accounting System, Reporting System and Auditing System complied with the related issued regulations;
10. To enhance and implement the resolutions with honesty and vigilance; to be responsible and to treat the shareholders equally.
11. To appoint the Committees to BCEL's Board of Directors including Audit Committee, Risk Management Committee, Remuneration Committee, Nomination Committee and other committees that are considered to be necessary;
12. To appoint or allocate the responsibility of each Board of Directors' member and the Secretariat of the Board of Directors;
13. To appoint, transfer or remove the General Managing Director according to the resolution of the Board of Directors' Meeting;
14. To appoint, transfer or remove the Deputy Managing Director according to the proposal of the General Managing Director;
15. To appoint the Secretariat of the Board of Directors to be responsible for the tasks by assigned the Board of Directors or the Committees to the Board of Directors;
16. To research and consider the remuneration for Chairman, Vice Chairman, Members, the Committees to the Board of Directors, General Managing Director and Deputy Managing Director as advised by the Remuneration Committee then propose to the Shareholders' Meeting for consideration and approval on the basis of maintaining the highest benefit of BCEL and the shareholders;
17. To propose the allocation of net profit to the reserves, dividend and employees' benefits to the Shareholders' Meeting for consideration and approval.
18. To search, monitor and find the dispute resolution related to the benefit of BCEL;
19. To present the annual report and financial documents to the shareholders' meeting for approval;
20. To clarify and answer questions related to the activities of BCEL to the shareholders' meeting;
21. To report on the activities of BCEL to the shareholders' meeting;
22. To disclose the shareholding proportion of BCEL in other enterprises and the share proportion from five percent and above held by other enterprise in BCEL as well as inform the increased or decreased shares during the accounting year;
23. To assess the performance of the Board of Directors at least once a year to acknowledge the strong points and the weak points;
24. To disclose information to the public regarding the name of the Chairman, Vice Chairman, Members of the Board of Directors, number of meetings, the number of meetings attended by the Chairman, Vice Chairman and each board member in the meetings of the committees of the Board of Directors and to provide the summary report of the work implementation by the Board of Directors in the Annual Report;
25. To appropriately monitor the disclosure and communication with the shareholder(s);
26. To perform other rights and duties as stated in the relevant regulations and laws.

## **Article 29: Meeting of the Board of Directors (Revised)**

The Board of Directors Meeting shall have a quorum of at least half of the total members of the Board of Directors.

The Chairman of the Board of Directors Meeting is the Chairman of the Board of Directors. In the event that the Chairman could not attend [the meeting], the Vice Chairman shall be assigned or a Member of the Board of Directors shall be selected as the chairman of the meeting, which shall be held at least four times per year. If needed, the extraordinary meeting can also be opened.

In the event that there is an urgent matter to be considered by the Board of Directors, but the Board of Directors Meeting could not be held, The Board of Directors can conduct the meeting in any forms such as the Circular Letter or Electronic Channel.

The Members of the Board of Directors must attend the Board of Directors Meeting in person. In the event a member of the Board of Directors could not attend the Board of Directors Meeting in person, a representative may be assigned and such representative must hold the position at the Deputy Managing Director level.

### **1. Preparation of the Agenda for the Board of Directors Meeting**

The Chairman of the Board of Directors shall prepare the agenda for the Board of Directors Meeting, such as the details of each agenda to be proposed to the Board of Directors Meeting, methods of voting for each agenda, etc.

### **2. Sending of the invitation to the Board of Directors Meeting**

The Chairman of the Board of Directors shall send out the invitation which includes the meeting agenda and related documents at least seven business days prior to the meeting day with the exception of necessary cases in order to maintain the rights and benefits of BCEL.

### **3. Calling for the Board of Directors Meeting**

The Chairman of the Board of Directors shall call for the Board of Directors Meeting or the Vice Chairman or at least two Members of the Board of Directors are entitled to propose to the Chairman to call for the Board of Directors Meeting and the Chairman of the Board of Directors shall schedule for the Board of Directors Meeting within fourteen days from the date proposed by the Members of the Board of Directors.

### **4. Voting in the Board of Directors Meeting**

For the voting in each agenda, one Member of the Board of Directors is entitled to cast one vote. A member of the Board of Directors who would benefit from the voting shall not be entitled to vote in such agenda.

In the event of equal votes, the Chairman of the Board of Directors shall cast one more vote to decide the matter.

The representative of the Member of the Board of Directors is entitled to clarify, explain and provide comment, but it is not entitled to vote.

### **5. Resolutions of the Board of Directors Meeting**

The resolutions of the Board of Directors shall be effective only when more than half of the votes are received from the members of the Board of Directors or as stated in each agenda of the Board of Directors Meeting.

The Secretariat of the Board of Directors shall keep the Resolutions of such meeting at the Headquarters of BCEL, which the Shareholders could access or audit.

**6. Minutes of the Board of Directors Meeting**

The Minutes of the Board of Directors Meeting shall be recorded by the Secretariat of the Board of Directors and it shall be kept at the Headquarters of BCEL where the shareholders could access or audit [such minutes] with the exception for BCEL's documents or information that are trade secret.

**Article 30: Rights and Duties of the Chairman of the Board of Directors (Revised)**

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

1. To sign BCEL's important documents such as Minutes, Resolutions of the Board of Directors' Meeting, Letter of Appointment, Letter of Transferring and Letter of Removal of Executive Board Member(s) and other documents as agreed by the Shareholders' Meeting or relevant laws;
2. To research and schedule the agenda of the Board of Directors Meeting;
3. To deliver the meeting agenda to the members of the Board of Directors;
4. To chair the Board of Directors Meeting and Shareholders' Meeting;
5. To give the opportunity to the Members of the Board of Directors to share comments to solve BCEL's issues;
6. To give the opportunity to the shareholders for discussion on BCEL's important issues.

**Article 31: Performance of Duties of the Board of Directors (Revised)**

**Members of the Board of Directors shall perform [their] duties based on the followings:**

1. Understand its duties and business activities of BCEL;
2. To be responsible, cautious and honest in making reasonable decision based on sufficient and correct information for the highest benefits of BCEL and the shareholders;
3. Perform its rights and duties as stated in the internal regulations of BCEL, implement the resolutions of the Board of Directors and the resolutions of the Shareholders' Meetings in conformity with the decisions and the regulations imposed by the Lao Securities Commission Office;
4. To be responsible for its performance of duties for the shareholders and shall not be involved in the daily administration of BCEL;
5. Perform its duties without conflicting with the rights and benefits of BCEL and the shareholders, particularly to perform the related party transaction of acquisition and sale of assets;
6. Disclose its shareholding proportion in BCEL and in other enterprises, which BCEL holds or is held of shares from five percent or more, and to inform the increased or decreased amount during the accounting year;
7. To report the conflict of interest to the Board of Directors;
8. To be responsible for damage occurred on BCEL under its responsibilities;
9. Participate in the training course and the seminar held locally and internationally that is related to administration in order to improve the knowledge every two years;

10. Perform other duties as stated in the Articles of Association of BCEL and the relevant laws.

### **Article 32: Duration and Expiration of the Term of Office for the Members of the Board of Directors (Revised)**

The Member of the Board of Directors has a duration no more than 2 years, which is equivalent to 1 term from the date approved by the resolutions of the Shareholder' Meeting and [the member] can be re-appointed.

When a Member of the Board of Directors is approaching the end of its two years term, the members of the Board of Directors shall propose to hold the Shareholders' Meeting in order to approve the new Members of the Board of Directors prior to the expiration of the current Board of Directors.

In the event that the former Board of Directors have completed the two years duration, but the Shareholders' Meeting has not approved the new Members of the Board of Directors, the Members of the former Board of Directors shall perform duties until new Members of the new Board of Directors have been approved but [such performance] shall not be more than one year.

The Member of the Board of Directors, who is an independent Member shall have the term no more than four terms except for the case where there is a violation to the laws. In the event that [the Member] completed the terms for four consecutive terms, there must be a one year break before [such Member] can be re-appointed.

#### **The Members of the Board of Directors shall be free from its position in the following cases:**

1. Completion of their term;
2. Failure to attend more than half of the Board of Directors Meeting that are held in an accounting year;
3. The Shareholders' Meeting resolves to remove [the Member] from its position;
4. Have a decision or judgment from the court that can firmly be used;
5. Failure to perform the rights and duties of the Board of Directors as stated in Article 28 and failure to perform the duties of the Members of the Board of Directors as stated in Article 31 of this Articles of Association;
6. Decease, resign [or] lack the condition to become the Member of the Board of Directors as stated in Article 26 of this Articles of Association;
7. No longer an employee of BCEL (for the Member of the Executive Board that comes from BCEL).

In the event the Chairman, Vice Chairman or the Member has the intention to resign from the position, the person must inform the Board of Directors and BCEL at least 3 business days in advance.

### **Article 33: Members of Committees to the Board of Directors (Revised)**

The committees to the Board of Directors consist of:

1. Corporate Governance Committee;
2. Audit Committee;
3. Risk Management Committee;
4. Remuneration Committee;



## 5. Nomination Committee.

The Committees to the Board of Directors are appointed by the Chairman of the Board of Directors as agreed in the Board of Directors Meeting in order to ensure the transparency and efficiency of the business activities of BCEL.

The committees to the Board of Directors shall hold the meetings at least twice a month. In the event that any Committee is not able to hold the Meeting twice a month, the report needs to be sent to inform the reason and the necessity to the Bank of the Lao PDR and the Lao Securities Commission Office.

The Meeting of the Committees to the Board of Directors shall be participated the Observers to provide the information or to explain the agenda related their responsibility during the questioning session of the Meeting. The Observers consist of Directors of BCEL, the representatives from Divisions, Centers and related Sections.

### **The Personnel Structure of the Committees to the Board of Directors shall consist of:**

- Each Committee to the Board of Directors shall consist of at least three persons, which include at least should have Independent Member one-thirds of the total number of Members. The Chairman of each Committee must be the member of the Board of Directors or the Independent Members of the Board of Directors.
- The Members of the Audit Committee shall consist of the Member of the Board of Directors, who does not hold the position of Director, who is the Member of the Board of Directors and Independent Members of the Board of Directors, a person with knowledge, capability and experience in accounting and auditing.

## **Article 34: Rights and Duties of the Corporate Governance Committee (Revised)**

### **The Corporate Governance Committee has the following rights and duties:**

1. To research and improve the policy related to Corporate Governance and Personnel Management;
2. To supervise and improve the manual then report to the Board of Directors to consider on the approval along with the monitoring, auditing and reporting to the Board of Directors on the implementation of the manual;
3. To create and improve the Strategic Plan, Operational Plan, Budgeting Plan and Business Plan of BCEL;
4. To monitor and assess the implementation of the Strategic Plan, Operational Plan and Budgeting Plan on monthly, quarterly and annually basis;
5. To study the roles, rights and responsibilities between the Board of Directors and Board of Management of BCEL;
6. To research, monitor, inspect and resolve any dispute related to the benefit of BCEL in order to present to the Board of Directors;
7. To propose the opening of Branches, Affiliated Companies or the investment in other businesses to the Board of Directors;
8. To define the standard conditions for staff who work on the Corporate Governance area;
9. To research on the creating of the work plan of the Board of Directors for each year to propose to the Board of Directors for consideration to approve as well as monitoring the implementation progress.
10. To define the conditions and the plan to evaluate the activity of the Board of Directors and the Board of Management;

11. To report on the details of BCEL's activities to the Board of Directors;
12. To summarize and evaluate on the implementation of their own Committee annually;
13. To report on the on the implementation of their own Committee in each period time;
14. To perform other rights and duties as assigned by the Board of Directors or the Shareholders' Meeting.

### **Article 35: Rights and Duties of the Audit Committee**

The Audit Committee has the following rights and duties as follows:

#### **1. Financial Statements and information Disclosure**

- To audit the financial statements of BCEL so that the details are completed, accurate and complied with the financial reporting standard;
- To make enquiry to the auditing firm or auditor regarding important matters, which may impact the reliability of BCEL's financial statements;
- To audit the transactions related to or the transactions which may have the conflict of interest so that such transactions may be implemented as stated in the relevant regulations;
- To make enquiry on the transactions and information disclosure of BCEL in to be complied with the relevant regulations.

#### **2. Internal Control**

- Ensure that there is efficient internal control and the internal auditor shall assess the internal control system in all systems at least once per year.

#### **3. External Auditor**

- To ensure the freedom of the external auditor, quality, independence and all-round relationship with the external auditor that service BCEL;
- To determine the auditing scope, select the external auditor, fees for the external auditor and propose for the cancellation of the service contract with the external auditor so that the Board of Directors may propose to the Shareholders' Meeting for approval;
- To monitor and audit the progress on resolving outstanding issues mentioned in previous auditing report;
- To enquire on the working scope of the external auditor and internal auditor in order to prevent any overlap of work.

#### **4. Internal Auditor**

- To ensure the freedom of the internal auditor;
- To directly lead the Internal Auditing Unit, but the daily operation shall be under the supervision of the General Managing Director;
- To enquire and regularly review the mechanism and internal auditing system;
- To enquire on the internal audit report and secretly hold meeting with the party in charge of internal auditing work in order to enquire on the intervention of the Board of Directors and various Divisions which may affect the freedom and decision of the internal auditor;
- To make enquiry to and make joint consideration with the Board of Executive and various Divisions on significant findings and resolution;
- To assess the implementation of the Chief of the Internal Audit Division;
- To make enquiry to the Head of the Internal Audit Division regarding the efficiency on BCEL's usage of properties based on the Articles of Association of BCEL, resolutions of the Board of Directors and the Shareholders' Meeting.

#### **5. Legal Compliance**

- To audit the compliance with the Law on Properties, related laws and other relevant legislations;
  - To make enquiry to the members of the Board of Directors and the Board of Executive of BCEL in consideration to the significant risks and the risks related to the operation.
- 6. Performance Assessment**
- To assess the annual work implementation of the Audit Committee;
  - To disclose information in the annual report related to the names of the members of the Audit Committee, number of meetings [held by] the Audit Committee, number of attendance by each member of the Audit Committee, assessment result and summary details on the activities of the Audit Committee.
- 7. Other Rights and Duties**
- To make a consideration and comment on the appointment and removal of the Chief of the Internal Audit Division before the General Managing Director making any consideration on the appointment and the removal;
  - To make enquiry on significant risk level and make enquiry on the internal auditor's assessment methods for risk management by making comparison to the principles of the external auditor;
  - To report its performance result to the Board of Directors and the Shareholders' Meeting;
  - Must attend every Board of Directors' Meetings in order to give feedback on related matters, acquisition and distribution of properties, selection and the determination of the external auditor's fee;
  - To create the Budgeting Plan related to the Auditing Plan;
  - To provide feedback on financial issues and other matters as per requested by the members of the Board of Directors or the Board of Executive;
  - To perform other rights and duties as assigned by the Board of Directors.

**Article 36: Rights and Duties of the Risk Management Committee (Revised)**

**The Risk Management Committee has the following rights and duties:**

1. To research the risk management policies in order to propose to the Board of Directors for consideration especially the risk control for economic and finance, marketing, capital, liquidity, credit loan, product, service, implementation, etc, which may directly or indirectly impact BCEL;
2. To review the policies related the risk management and risk management control of the business group including the control, monitoring and assessment of the business group's risk;
3. To create its operation plan in conformity with the risk management policy in order to ensure the control, monitoring and assessment of risk management at appropriate level;
4. To consider and comment on the appointment, transferring or the cancelling the position of Deputy Managing Director, who supervise risk management work;
5. To research and propose to the Board of Directors on the risk appetite;
6. To effectively review, modify or amend the risk management policy at each level in order to minimize potential risk to BCEL and the risk appetite level;
7. To request for information related to risk management and to be able to hold meeting with the relevant party of BCEL;
8. To summarize the results of its implementation to the Audit Committee and the Board of Directors on monthly or quarterly basis or based on actual requirement;
9. To disclose information in the Annual Report related to the names of the members of the Risk Management Committee, number of meetings held by the Risk

Management Committee, number of attendances by each member of the Risk Management Committee, assessment results of the members of the Risk Management Committee and summary of the activities of the members of the Risk Management Committee;

10. To perform other rights and duties as assigned by the Board of Directors.

#### **Article 37: Rights and Duties of the Remuneration Committee**

**The Remuneration Committee has the following rights and duties:**

1. To define the principles and models for the payment of the remuneration;
2. To study the remuneration of the Board of Directors and The Board of Executive in order to propose to the Shareholders' Meeting for approval;
3. To research the remuneration of the Chief and Deputy Chief of Divisions in order to propose to the Board of Directors for approval;
4. To report the results of its activities to the Board of Directors and the Shareholders' Meeting;
5. To disclose information in the Annual Report related to the names of the members of the Remuneration Committee, number of meetings held by the Remuneration Committee, number of attendances by each member of the Remuneration Committee, assessment results of the members of the Remuneration Committee and summary of the activities of the members of the Remuneration Committee;
6. To perform other rights and duties as assigned by the Board of Directors.

#### **Article 38: Rights and Duties of the Nomination Committee (Revised)**

**The Nomination Committee has the following rights and duties:**

1. To define the principles and procedures regarding for the selection of personnel for the position in the Board of Directors and General Managing Director such principles and procedures must be transparent and auditable;
2. To consider and give the comment on the position of General Managing Director of BCEL before the appointment, transfer or cancellation;
3. To consider the qualification, knowledge, experience and suitability according the complete criteria stated in **the Notice on the Board of Directors and other registration announced in each period time**;
4. To propose the name of the individual who has passed the selection to the Board of Directors for consideration and to propose to the Shareholders' Meeting for approval;
5. To report the results of its activities to the Board of Directors;
6. To disclose information in the Annual Report related to the names of the members of the Nomination Committee, number of meetings held by the Nomination Committee, number of attendances by each member of the Nomination Committee, assessment results of the members of the Nomination Committee and the summary of the activities of the members of the Nomination Committee;
7. To perform other rights and duties as assigned by the Board of Directors.

#### **Article 39: The Secretary to the Board of Directors**

The Secretary to the Board of Directors shall be appointed or removed by the Board of Directors, according to the request from the General Managing Director of BCEL to perform secretarial work for the Board of Directors and secretarial work for the members of the Board of Directors.

The Secretary to the Board of Directors has a term of office for two years based on the term of office for the Board of Directors and [the Secretary] can be re-appointed. The Secretary of the Board of Directors shall have some assisting members to help the Board of Directors and the Committees of the Board of Directors.

#### **Article 40: Criteria for the Secretary to the Board of Directors**

**The Secretary to the Board of Directors must have the following criteria:**

1. Must be an employee of BCEL who holds the position of Deputy Chief of Division or above;
2. Must have the experience in secretarial work with BCEL for at least five years;
3. Must have good level of foreign language and coordination skills to ensure the effective communication with the members of the Board of Directors;
4. Must have specialized knowledge in law, banking, accounting or other suitable fields to ensure the success of secretarial work;
5. Must comply with the other requirements set by the Board of Directors and relevant laws.

#### **Article 41: Rights and Duties of the Secretary to the Executive Board**

**The Secretary to the Board of Directors has the following rights and duties:**

1. To contact and liaise closely with the Board of Executive, the Board of Directors and the Shareholders' Meeting;
2. To be responsible for arranging and preparing of the agenda and documents for the meetings of the Committees of the Board of Directors, the Board of Directors Meetings and the Shareholders' Meeting and to monitor the implementation of the resolutions of such meetings;
3. To take minutes, keep the minutes including documents from the meeting of the Committees of the Board of Directors, the Board of Directors Meetings and the Shareholders' Meeting and monitor the performance of the resolutions of such meetings;
4. To ensure the operation and the hosting of the meeting of the Committee of the Board of Directors, the Board of Directors Meetings and the Shareholders' Meeting in conformity with the Articles of Association and relevant laws;
5. To ensure that BCEL performs the Information Disclosure Principles in conformity with the regulations and laws;
6. To make and store the registration of the Board of Executive and the Board of Directors;
7. To propose for trainings or seminars for the Board of Executive and the Board of Directors regarding the regulations related to operation of the Board of Executive and the Board of Directors;
8. To be responsible for coordinating with the relevant parties related to investors' relations and the disclosure of BCEL's information;
9. To perform other rights and duties as assigned by the Board of Directors and as stated in the relevant regulations.

### **Chapter 6**

#### **General Managing Director and Deputy Managing Director**

#### **Article 42: General Managing Director (Revised)**

The General Managing Director is the administrator of daily operation within its rights and duties as stated in the Articles of Association of BCEL.

The General Managing Director is appointed or removed by the Board of Directors, the term is two (2) years and can be re-appointed.

The General Managing Director can be the member of the Board of Directors and come from the member of the Board of Directors but [General the Managing Director] shall not hold the position of Chairman or Vice Chairman of the Board of Directors.

#### **Article 43: Rights and Duties of the Managing Director (Revised)**

**The General Managing Director has the following rights and duties:**

1. To be the representative to sign BCEL's agreements and official documents;
2. To carry out BCEL's daily operation within his/her rights and duties as stated in the Articles of Association or as assigned by the Board of Directors;
3. To create, propose or modify the Annual Business Plan for the Board of Directors to make consideration and approval then carry out the implementation;
4. To research and propose to the Board of Directors to make consideration and approval of the appointment and removal of the Deputy Managing Director;
5. To appoint, remove and recruit BCEL's employees according to the related regulations announced in each period;
6. To appoint various committees at the below Board of Executive level to resolve any of BCEL's tasks;
7. To provide information and clarification on the matters that the Board of Directors is interested in;
8. To create and amend the management rules to propose to the Board of Directors for approval;
9. To be in charge of all of BCEL's activities for the Board of Directors;
10. To make a proposal to the Board of Directors for approval on the opening of branches, establishing of the affiliated company or investing in other businesses;
11. To research and propose to the Board of Directors for consideration regarding the adjustment of employees' salary and regarding the policies or directions for staff reward or punishment pursuant to the Articles of Association of BCEL;
12. To cooperate, provide information and clarification to the Internal Auditor and External Auditor;
13. To report BCEL's activities to the Board of Directors and the Committees of the Board of Directors on the clarification and provide the necessary documents required by the relevant parties;
14. To perform other rights and duties as stated in this Articles of Association.

#### **Article 44: Deputy Managing Director (Revised)**

The Deputy Managing Director shall assist the General Managing Director with the specialized tasks as assigned by the General Managing Director and the Board of Directors.

The Deputy Managing Director shall consist of three persons or more based on the suitability, task requirement and business from time to time.

The Deputy Managing Director is appointed or removed by the Board of Directors Meeting according to the proposal from the General Managing Director of BCEL [and it shall receive] the majority of votes from the participating members.

## **Article 45: Rights and Duties of the Deputy Managing Director**

The Deputy Managing Director is the assistant to the General Managing Director [and] assigned by the General Managing Director for work in specific areas such as finance, risk management, accounting, credit, inspection and other tasks as assigned by the General Managing Director and the Board of Directors.

[The Deputy Managing Director] shall perform other rights and duties as stated in this Articles of Association.

## **Article 46: Divisions, Centers, Branches and Service Units**

The Divisions and Centers are parts of BCEL's organizational structure with the roles to assist the Board of Directors and the Board of Executive in each specific task [and] based in the Headquarters of BCEL. They are established based on the consent of the Board of Directors and the approval of the Bank of Lao PDR. The personnel of the Division consist of the Chief of Division, Chief of Center, Deputy Chief of Division, Deputy Chief of Center, Head of Section, Deputy Head of Section, Head of Unit and technical staff with Address and roles as stated in their specific regulations.

The Branches are parts of BCEL's organizational structure based in the local areas nationwide, established based on the agreement of the Board of Directors and the consent from the Bank of Lao PDR and the local authority, where the Branches are located with the roles to assist the Board of Directors in business operation in compliance with BCEL's regulations. The personnel of the Branches consist of the Chief of Branch, Deputy Chief of Branch, Head of Section, Deputy Head of Section, Head of Unit and technical staff.

The Service Units are parts of BCEL's organizational structure located in a community area or important economic and commercial area in the country, established based on the agreement of the Board of Directors with the roles in providing services to BCEL's customers. The Service Units may be under Branch's Supervision based on geographical location where the branch is located or directly under the supervision of the Headquarter. The personnel of the service unit consist of Head of the Service Unit, Deputy Head of the Service Unit and technical staff.

## **Chapter 7 Management**

### **Article 47: Staff**

The staff of BCEL are employees of every level that are recruited, allocated or appointed to the task to carry out work in BCEL during and outside of working hours as assigned by the organization. All staff must have their own working stations, roles, rights and responsibilities for the convenience to perform the work, monitoring and assessment.

The General Managing Director shall make a plan so that the Board of Directors may approve the matters related to labor recruitment, termination, training, salary, financial incentives, welfare, pension, reward, etc.

BCEL shall create specific regulations regarding the employees, employees' incentives and necessary regulations in compliance with the laws.

#### **Article 48: Incentives and Welfares for the Employees of BCEL**

The employees of BCEL shall receive salary, allowance, pension and other benefits from the performing of work. Furthermore, [the employees] shall also receive necessary basic facilities according to the laws of the Lao PDR and specific internal regulations.

#### **Article 49: Disciplinary Actions (Revised)**

BCEL shall take disciplinary actions in compliance with the laws against the Board of Directors and employees who breach the Articles of Association of BCEL and the laws of the Lao PDR which result is negatively impact on the reputation and operation of BCEL [and] such disciplinary actions are stated in specific regulations with having of the Reward and Disciplinary Committee making the appropriate consideration depending on the seriousness or lightness of the case.

#### **Article 50: Risk Management Mechanism**

The Risk Management of BCEL's operations are implemented according to the Risk Management Policies determined from time to time by the Bank of the Lao PDR and specific rules of BCEL. The rules on Risk Management shall be approved by the BCEL's Board of Directors Meeting.

#### **Article 51: Salary Regime**

BCEL implements the basic salary regime for its employees equally in overall network based on the salary index set from time to time by the Bank of the Lao PDR, based on employees' education qualification and actual work position. Together, there is also other financial incentives according to the labor contract and remuneration table or welfare policies approved from time to time by the Shareholders' Meeting of BCEL.

#### **Article 52: Recruitment and Training**

BCEL's recruitment shall be implemented according to the plan approved annually by BCEL Shareholders' Meeting through the process of selection or examination according to BCEL's regulations, based on the knowledge, capacity, conditions and standard of BCEL's employees.

BCEL's employees shall receive training, improvement and upgrading in terms of specific topic, political theory and other skills according to appropriateness based on work necessity, improvement and upgrading plan for BCEL according to the policies set from time to time.

#### **Article 53: Probation**

The probation for BCEL's employees has a clear time period as stated in the labor contract or employment contract. This is performed throughout the system in compliance with the laws and relevant regulations of BCEL set from time to time.

#### **Article 54: Liabilities of the Management and Employees**



The management and employees of BCEL are liable to the relevant laws and other regulations set by BCEL from time to time.

Furthermore, [the management and employees] shall be liable to the job descriptions approved from time to time and liable to the labor contract.

#### **Article 55: Working Days and Time, Opening hour of Service and Bank Holidays (Revised)**

The working days and time for BCEL are as follows:

- BCEL's employees shall work from Monday to Friday from 8:00 am to 16:00 pm;
- Customer's service shall be from Monday to Friday from 8:30 am to 15:30 pm.

BCEL's official holiday shall be compliant with the laws and regulations set from time to time by the government.

#### **Article 56: Overtime**

BCEL has an incentive for employees who work outside of normal working hours based on the necessity of the work or as assigned by the organization.

The number of hours for overtime shall be in compliance with BCEL's regulations set from time to time [and] the committees of the Division, Center, Branch, Sector, Service Unit and Head of Unit where the employee is stationed shall closely monitor the mentioned work for work effectiveness.

### **Chapter 8 Accounting, Reporting and Auditing**

#### **Article 57: Accounting System**

1. BCEL shall use the accounting system in compliance with the laws and regulations of the Bank of the Lao PDR;
2. BCEL shall keep the account and accounting data as well as the Annual Financial Reports to show its operation and the financial status according to the accounting standard;
3. BCEL's accounting and financial report shall have the format according to the template and shall contain details in line with the accounting standard and regulations imposed by the Bank of the Lao PDR;
4. BCEL's Financial Year shall begin from the 1<sup>st</sup> of January and end on the 31<sup>st</sup> of December of each year.

#### **Article 58: Reserved Fund and the use of the Reserved Fund (Revised)**

Each year after BCEL has made tax payments in full in compliance with the regulations, BCEL shall allocate the reserved funds such as the compulsory reserved fund, business expansion fund and other fund in compliance with the laws and related legal documents announced in each period.

## **Article 59: Financial Report**

The bank shall print the financial report in order to report to the Bank of the Lao PDR, the Lao Securities Commission Office and other sectors in compliance with the relevant laws.

## **Article 60: Audit (Revised)**

1. BCEL shall be audited by the external auditing firm [and] such auditing firm must be in the list approved by the Lao Securities Commission Office and the bank of the Lao PDR. The audit must be completed within the first quarter of the following year and must be disclosed to the public;
2. BCEL shall conduct an audit, selection and procedures as stated legal documents related to Accounting and Auditing Regulation related to the securities work;
3. Each year, the Shareholders' Meeting shall approve and select an auditing firm from the name list according to the proposal from the Board of Directors;
4. BCEL shall prepare the Annual Financial Documents for the external auditing firm after the end of the fiscal year;
5. The external auditing firm shall audit, verify and make a report regarding annual financial report which showed the BCEL's income and expenses and [the firm] shall make auditing report and submit such report to the Board of Directors within 3 months from the end of the fiscal year;
6. The external auditor conducting an audit on BCEL is entitled to attend every Shareholders' Meeting, receive notification and other information related to the audit.

## **Article 61: Internal Audit**

BCEL shall setup and maintain the system for internal auditing work management in order to ensure the following detail:

1. Accurate record showed transactions and changes made to the properties;
2. Create a financial reporting system in compliance with accounting principles;
3. Receive payment that is accurate with the management's approval;
4. Acquisition, usage or payment of properties unauthorized by the management.

## **Article 62: External Audit**

Each year, BCEL must be audited by an external auditor [and] an auditing firm, such auditing form that shall audit BCEL must be a firm selected by the Lao Securities Commission Office and Bank of the Lao PDR and the selection shall be in compliance with the relevant regulations and laws in order to ensure the following criteria:

1. Assist BCEL in maintaining the accounting system as well as the accurate and completed accounting record;
2. Give opinion regarding the completeness and accuracy of the Annual Financial Report made by BCEL;
3. Review the completeness of the management regulations and conduct an internal audit as well as providing advice on the solutions;
4. Report to the Bank of the Lao PDR regarding an act of fraud by the management or employees of BCEL, unusual or less efficient management and operation by the

affiliated companies which may negatively impact BCEL and its affiliated companies.

### **Article 63: Information Disclosure and Public Announcement**

BCEL shall disclose information to the public in conformity with the Law on the Securities and other relevant laws.

### **Article 64: Confidentiality (Revised)**

The management, employees and appointed persons who are performing duties or free from duties at BCEL must maintain confidentiality of BCEL's information, they are prohibited from disclosing or using such information for its own benefits or others except for the benefits of BCEL only. The confidential information may be disclosed to the Bank of the Lao PDR, the auditor or the authorized organization in pursuant to the laws.

### **Article 65: Benefits Disclosure**

The executive management and the employees of BCEL must inform their businesses or the persons who they are associated that have the benefit related to BCEL to the BCEL Board of Directors in full detail for acknowledgement.

When making consideration to the activities that benefit the management persons themselves and employee or the person who they are related to, they shall withdraw from the meeting. In the event that an employee's duty is related to that his/her own benefit or related person, such employee must notify the organization of BCEL for acknowledgement and shall withdraw himself/herself from such operation.

In the event that the management or the employee fails to perform according to the above terms, BCEL or the Shareholders are entitled to file a case to the court in order to terminate the contract of the person related to such activity. The Bank of the Lao PDR is also entitled to suspend the work of such management and removed his/her position after the court has made the decision to terminate the contract.

## **Chapter 9 Dividend Payment**

### **Article 66: Dividend**

1. BCEL's profit after tax payment and deduction to the reserved fund as agreed by the Shareholders' Meeting shall be shared among the Shareholders as agreed by the Shareholders' meeting;
2. The Shareholders shall receive the dividend according to its shareholding proportion within thirty (30) days from the date of the Shareholders' Meeting approved the dividend and [the recipient] must be listed in the list of shareholders who are eligible for the dividend;
3. The ordinary shareholders are entitled to receive dividend in cash or ordinary shares as agreed by the Shareholders' Meeting. In the event that the dividend is made in the form of shares, this shall be approved by the Lao Securities Commission Office;
4. The number of additional shares use for the payment of such dividend shall be recorded as shares which such share price shall be deemed as being fully paid and

the value of the shares received instead of money shall be equivalent to the money value for the dividend;

5. In the event that the additional shares are received from dividend not in round figure, the remaining figure shall be calculated and paid in money according to the shares value as stated in Articles of Association.

#### **Article 67: Other Matters related to the Dividend**

Other dividend related matters shall be in compliance with the laws of the Lao PDR.

### **Chapter 10 Dissolution, Liquidation and Dispute Resolution**

#### **Article 68: Dissolution**

BCEL shall voluntarily dissolve its activities based on the agreement from the Shareholders' Meeting, the agreement from the Bank of the Lao PDR or dissolve according to the court judgement, as stated in the Law on Commercial Bank, the Law on Enterprise, the Law on Bankruptcy and the relevant laws of the Lao PDR.

#### **Article 69: The Payment**

In the event of BCEL's dissolution, the payment shall be in compliance with the procedures stated in the laws of the Lao PDR.

#### **Article 70: Dispute Resolution**

In the event of a dispute or claim related to the operation of BCEL or rights of the Shareholders as stated in this Articles of Association or the relevant laws, in particular the dispute between the Shareholders or between the Shareholders and the Management, each party shall try to resolve the dispute amicably. The Chairman of the Board of Directors shall mediate the dispute between the shareholders.

In the event that a dispute between the Shareholder and the Management of BCEL, each party is entitled to appoint an independent external mediator in order to mediate the dispute.

In the event that a dispute between BCEL and an external party, the procedures according to the laws of the Lao PDR shall be followed.

In the event that the agreement could not be reached from the mediation within 45 days from the starting date of negotiation, such dispute may be referred to an authorized organization of the Lao PDR for consideration and resolution according to the relevant regulations and laws of the Lao PDR.

## **Chapter 11 Final Provisions**

### **Article 71: Changes and Amendment of this Articles of Association**

Every addition and amendment made to this Articles of Association shall be considered and agreed by the shareholders agreement and shall be effective upon approval by the Bank of the Lao PDR.

In the event that there is a legal document related to the operation of BCEL is not mentioned in this Articles of Association or in the event the new provision of such legal document conflict with this Articles of Association, such legal document that prevail shall be applied and deemed as a rule for BCEL's operation.

### **Article 72: Violation and Act against Offender**

The employees of BCEL are obliged to strictly implement this Articles of Association. In the event that any employee intentionally performs its duties against this Articles of Association, it shall be deemed as a violation and [such employee] shall be disciplined according to the seriousness and lightness of the case and shall be proceeded according to the laws.

### **Article 73: Effectiveness**

This Articles of Association consist of 11 chapters and 73 articles. It shall replace the Articles of Association number 22/BCEL.2018 dated 30/07/2018 and it is effective after receiving the approval by the Shareholders' Meeting.

**Chairman of the Executive Board  
Bank Pour Le Commerce Exterieur Lao Public (BCEL)**

[Signature and Seal]

Phoukhong Chanthachack