



No. 27 /LSX
Vientiane, date 07 January 2011

Securities Transfer Agent Regulation

- Pursuant to Decree on Securities and Securities Exchange ,No 255 /PM, dated 24th May 2010;
- Pursuant to Decision on Securities Exchange Supervision Regulation, No 012/SEC, dated 10th Nov 2010.

Lao Securities Exchange regulates that:

CHAPTER 1: GENERAL PROVISIONS

Article 1. Purpose

The purpose of this Regulation is to prescribe the contents and procedures to provide securities transfer and related service as an agent in accordance with the Decree on Securities and Securities Market.

Article 2. Definitions

(1) The term “trust company” shall refer to an entity who entrusts to LSX service of securities registrar, securities transfer, and payment of dividend, principal (hereinafter referred to as "securities transfer, etc.")

(2) The term “agent” shall refer to an entity who offers service of securities transfer, etc. on behalf of trust company.

(3) The term “securities” refers to stock and bond.

(4) The term "lost or stolen securities" shall mean securities on which occupation is lost due to loss, theft, disappearance, etc. or securities of which identity is not distinguishable resulted from stain or damage, etc.

Article 3. Business Hours

(1) The business hours pursuant to this Regulation shall be from 8:00 a.m. through 4:00 pm on weekdays.

(2) The LSX may change the business hours of Para.(1) herein if deemed necessary. In such cases, the LSX shall make public such intention in advance.

Article 4. Closing Date

(1) The services prescribed by the LSX according to this regulation shall not be provided on the following days.

1. Public holidays of Lao PDR
2. Saturdays and Sundays
3. Last 3 business days of each year; and

(2) The LSX may suspend securities transfer, etc. service when it is unable to conduct related business due to unavoidable circumstances such as natural disaster or computer system failures, etc. In such cases, the LSX shall make such facts public without delay.

Article 5. Contents of Agent service

An agent shall provide following services;

1. Management of shareholders register book and beneficiary shareholders register book
2. Securities transfer and establishment or cancel of pledge
3. Management of dividend of stock and principal and interest of bonds
4. Service derived from 1 through 3 herein

CHAPTER 2: AGENT SERVICE CONTRACT

Article 6. Contract for Provision of an Agent Service

(1) In case where a trust company entrusts service of securities transfer, etc. to LSX, the trust company shall conclude with LSX in advance a contract on followings;

1. Scope of an agent service
2. Matters on rights and obligation
3. Matters on risk to be taken
4. Contract period
5. Criteria for agent service process
6. Location for agent service
7. Matters on handover and taking over of business
8. Matters on fees and cost

9. Other matters that LSX deems necessary

(2) LSX shall collect following documents from a trust company in order to make contract according to Para. (1);

1. Articles of incorporation
2. A copy of minutes of Board of Directors meeting on designation of agent
3. A certified copy of the corporate register

(3) The attached agreement shall constitute integral part of this regulation.

Article 7. Rights and Obligation of a Trust Company

(1) The trust company with an agency service contract has the right to be receive agent service within the scope of a contract with the LSX.

(2) A trust company shall comply with a contract with the LSX and pay the fee determined by the LSX before the deadline

(3) A trust company shall notify the LSX when it makes resolution of shareholders meeting for the preparation of payment of dividend, interest, etc. regarding stocks and bonds for the preparation of payment.

(4) A trust company shall notify LSX of the following in advance.

1. Schedule and resolution agenda of shareholders' general meeting
2. Increase or decrease of capital
3. Issuance of bonds
5. Stock split or reverse split
6. Merger of companies, change of company name or split of companies
7. exchange and transfer of stock
8. following items at the time of issuance of stocks
 - a. type, certificate number, and number of a stock
 - b. total amount issued, issue conditions and reasons for issuance
 - c. date of delivery and date of listing
9. payment of dividend and principal and interest
10. Matters the LSX deems necessary

Article 8. Termination of Agent Service

(1) The LSX may revoke a contract in the following cases.

1. A trust company contravenes a contract.
2. An agent is unable to perform agency service due to closure, suspension, bankruptcy, etc. of trust company
3. Fees related to agent service are in delinquency for a considerable period

(2) The agency service shall be terminated in case a contract period of agent service expires, trust company and LSX agree, or contract is revoked.

Article 9. Request for Agent Service

- (1) A trust company who intend to request agent service shall submit application for agent service along with its stocks.
- (2) A pledgee and pledgor shall submit application for registration or cancel of pledge along with the stocks to be registered or cancelled.
- (3) In case LSX receive application for registration or cancel of pledge, it shall record registration date and name of pledgee to register right of pledge, and cancel date and intention to cancel right of pledge.
- (4) Dividend on stocks and principal and interest of bonds shall be payed or issued to pledgee. In case, however, pledgee agrees, they shall be payed or issued to pledgor.

CHAPTER 3: TRANSFER SERVICE

Article 10. Securities Transfer Agent Service

LSX offers the following services in relation to transfer of title.

1. Maintaining and managing the shareholders register book, beneficiaries' shareholder register book, and bondholders' register book;
2. Changing the ownership of securities in the shareholders' book, beneficiaries' book, and bondholders' book;
3. Creating or canceling pledge
4. Administration works related to the changes in ownership as well as report, statistics, and notifying the shareholder on the corporate activities, information related to share ownership, and measures of the issuers;

Article 11. Shareholders Register Book

- (1) Shareholder register book shall include followings;
 1. Number, title, address of shareholders
 2. Shareholders' identification number
 3. Name and address of an attorney, or name of all shareholders and name and address of a representative
 4. Type and number of shares of each shareholder
 5. Number of each shareholder's shares issued
 6. Securities acquiring date
 7. Matters related to pledge
 8. Nationality of the shareholder in case shareholder is foreigner
 8. Other matters LSX deems necessary
- (2) In case shareholder, pledgee or other person concerned request, LSX may issue documents on followings;
 1. Matters on entry on shareholder register book

2. Matters on stock issuance
3. Matters on stock dividend
4. Matters on registration of right of pledge
5. Other matters LSX deems necessary

Article 12. Beneficial Shareholders Register Book

- (1) The LSX shall manage details of beneficial shareholders for deposited securities in beneficial shareholder register book.
- (2) In beneficial shareholder register book, LSX shall include the following items.
 1. Beneficial shareholders' number, title and address of beneficial shareholders
 2. Nationality and title, address of a standing proxy in case a beneficial shareholder is a foreigner
 3. Type and number of securities by beneficial shareholder
 4. Notified date to shareholders of beneficial shareholders
 5. Matters the LSX deems necessary

Article 13. Bondholders Register Book

- (1) Bondholders register book shall contain followings;
 1. Types of bonds
 2. Name and address of bondholders
 3. Number of a certificate of bond
 4. Total amount of bonds
 5. Amount of each bond
 6. Interest rate of bond
 7. Method and deadline of redemption and interest payment
 8. Divided payment amount and date in case divided payment is made
 9. Amount and date of payment of each bond
 10. Issuance date of bonds
 11. Acquisition date of each bond
 12. Other items LSX deems necessary
- (2) The provision of Para. (2) of Article 11 shall apply mutatis mutandis to bondholders register book

CHAPTER 4: PAYMENT SERVICE

Article 14. Payment Agent Service

LSX shall offer as payment agent followings;

1. Calculation of dividend for paying to shareholders, and interest and principle for paying to

bondholders;

2. Payment on the behalf of trust company to shareholders and bondholders;
3. Notification and provision of related services to shareholders and bondholders.

Article 15. Person to be paid

- (1) Persons who receive stock dividend shall be shareholders or pledgees.
- (2) Those receiving principal and interest of bonds shall be holders of bonds or coupons, or pledgees registered in bondholders' register book.

Article 16. Determination of those to be paid

- (1) A trust company shall inform the LSX of details related to stock dividend or principal and interest of bonds in advance when the company confirms payment date of stock dividend or principal and interest of bonds.
- (2) The LSX shall send shareholders or pledgees without delay a dividend payment notice including the number of shares owned, dividend yield, total amount of dividend, types and number of dividend stocks, date and place of payment, all tax deductible, etc when payment of stock dividend is determined at a general shareholders meeting.

Article 17. Payment

- (1) A trust company shall deliver dividend of stock or principal and interest of bonds to LSX 2 business days prior to the start of payment.
- (2) LSX shall pay dividend or principal and interest of bond to the accounts of shareholders or bondholders on the payment day. The payment, however, may be delayed in case banking system does not work properly due to unavoidable circumstances such as natural disaster, computer system failures, etc.

Article 18. Allocation of Rights

- (1) Allocation of rights related to shareholders shall be determined in accordance with the types and number of shares owned by each shareholder. In case where a shareholder has stocks in two(2) more accounts, the stocks are allocated in accordance with the number of shares in each account.
- (2) In case where there is less than one share or less than one unit bond as a result of the allocation pursuant to Para. (1), LSX shall pay amount of proportional cash.

Article 19. Service Fees

- (1) The LSX shall collect the transfer agent service fees for the services provided pursuant to this

Regulation.

(2) Notwithstanding Para. (1), the LSX may reduce or waive the fees within a certain limit, when it deems necessary to rationalize the operation of Securities Deposit.

<Transfer Agent Service Fee>

1. Payer : trust company
2. Method of payment : making payment to the settlement account of the LSX
3. Payment day : within the end of the first month of the fiscal year.
In case of public holidays, next business day after public holidays

4. Fees

	Transfer agent Registration *	Transfer of title service	Payment agent service	Collateral
Base amount	Total Deposit (pledged) amount(Par value*total shares) as of the end of the previous year			
Fee (per million kip)	0.001%	0.001%	0.002%	0.002%

* Transfer agent registration fee will be impose when they register at LSX for the first time.

** Other necessary costs in relation to the transfer agent services such as postal fees shall be separately charged.

<Investor certificate and fees for issuing credit balance, etc.>

1. Payer : user
2. Method of payment : Cash is made to the LSX settlement account.
3. Payment time : when services have been offered
4. Fee : 10,000 kip per case

Chapter 5: Final Provisions

Article 20. Implementation

LSX and the related sectors shall acknowledge and implement this regulation strictly pursuant to its rights and duties.

Article 21. Effectiveness

This regulation shall enter into force from the date of signing.

Chairman & CEO of Lao Securities Exchange

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