THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

HCMC, May 17, 2006

INTERNAL LABOUR REGULATIONS

- Pursuant to the Labor Code of the Socialist Republic of Viet Nam dated June 23, 1994 – the Amendment to a number of Articles of the Labor Code dated April 2, 2002;
- Pursuant to the Decree 41/CP dated July 6, 1995 of the Government stipulating in details and providing guidelines for implementing on a number of Articles in the Labor Code on labor discipline and material liability – the Decree 33/2003/ND-CP dated April 2, 2003 amended a number of Articles of Decree 41/CP;
- To stipulate the rights and obligations of both parties in labor relationship in order to ensure a stable harmonious working environment;
- After conferring with the Executive Committee of the Trade Union of the Company;

The General Director of ABC Co., (hereinafter referred to as **"Company**") promulgates the Internal Labor Regulations (herein after referred to as "Regulations") that shall be applied in the Company as follows:

GENERAL PROVISIONS

1. These Regulations include:
    - regulations in respect of labor discipline that shall be observed by all employees working at the Company and its affiliates;
    - regulations of sanction against employee who violates labor discipline;
    - regulations of material liability against employee who has committed an act causing damage to the property of the Company.
2. These Regulations shall take effect from the date they are registered at the Department of Labor, Invalids and Social Affairs of Ho Chi Minh City ("**DoLISA**") and replace the Work Rules dated August 28, 2003.
3. Any matter pertaining to labor that is not laid down in these Regulations, but occurred, shall be dealt in accordance with the Collective Labor Agreement of the Company or the current labor stipulations of the Government.

CHAPTER I: TIME OF WORK – TIME OF REST

Article 1. Hours of work and rest

1.1 At the Company all employees shall work 48 hours per week. Depending on the nature of work and the operation of each department, the employees will be assigned to work by one of the following regimes:

1.1.1 8 hours per day – 6 days per week

- Time of work: from 08:00 to 12:00 – from 13:00 to 17:00
- Time of rest: from 12:00 to 13:00, not included in work hours
- Rest day: Sunday

1.1.2 9 hours and a half per day – 5 days per week

- Time of work: from 08:00 am to 17:30 pm
- Time of rest: 30 minutes, included in work hours
- Rest days: Saturday and Sunday

1.1.3 8 hours shift work – 6 days per week

- Shift 1: from 06:00 am to 14:00 pm or 06:30 am to 14:30 pm
- Shift 2: from 14:00 pm to 22:00 pm or 14:30 pm to 22:30 pm
- Shift 3: from 22:00 pm to 06:00 am or 22:30 pm to 06:30 am
- Break: 30 min for shift 1 and 2 - 45 min for shift 3, included in the shift hours
- Rest day: one fixed day per week, determined by the department manager.
- Before entering a new shift, employees shall have at least 12 hours of rest in the interval.

1.1.4 10 hours shift work – 4 days per week and 8 hours shift work – 1 day per week

- Shift 1: from 06:00 am to 16:00 pm or 06:30 am to 16:30 pm
- Shift 2: from 20:00 pm to 06:00 pm or 20:30 pm to 06:30 pm
- Break: 30 min for shift 1 and 45 min for shift 2, included in the shift hours

- Rest day: two fixed days per week, determined by the department manager.

- Before entering a new shift, employees shall have at least 12 hours of rest in the interval.

1.1.5 12 hours shift work – 4 days per week

- Shift 1: from 06:00 am to 18:00 pm or 06:30 am to 18:30 pm

- Shift 2: from 18:00 pm to 6:00 pm or 14:30 pm to 22:30 pm

- Break: 30 min for shift 1 and 45 min for shift 2, included in the shift hours

- Rest day: three fixed days per week, determined by the department manager.

- Before entering a new shift, employees shall have at least 12 hours of rest in the interval.

1.2 Other shift patterns shall be determined to meet the operational requirement of the Company from time to time in accordance with the Labor Laws. To ensure the business and the production agreed with the characteristics of works other time of work, time of rest for sales, distribution, warehouse, accounting, and maintenance shall be determined by the department manager and notified to the employees.

Article 2. Overtime

2.1 The department manager and the employee may agree for additional working hours ("**overtime**") that will not exceed 200 hours in a year in the following cases:

2.1.1 Tackle with production problem;

2.1.2 Resolve an urgent task that could not delay;

2.1.3 Finish timely the product that could not discontinue as strictly required by technology;

2.1.4 Resolve a work that requires such employees with highly specialized technical skills who are not readily available on the labor market.

2.2 The overtime must be done in accordance with following regulations:

2.2.1 Overtime worked in a day will not exceed 4 hours;

2.2.2 Total overtimes performed in a week will not exceed 16 hours;

2.2.3 Total overtime worked in 4 consecutive days will not exceed 14 hours;

2.2.4 The employee must rest at least 1 day per week (24 hours continuously), or 4 days (discontinued) in a month;

2.2.5 When working an overtime from two hours in a day, the employee will be entitled to a rest of 30 minutes accounted in the overtime.

2.3 Regional department manager is responsible to

2.3.1 plan the additional working hours that may arise in the month and get approval from General Director before execution;

2.3.2 arrange for the overtime record which is to be made in a prescribed form of the Company to be duly signed by the Employees before execution. The overtime record will be checked and signed by department manager after the execution and will be send to Human Resources Department (hereinafter referred to as "**HRD**") within one (1) day.

2.3.3 make reasonable effort to distribute overtime equitably among qualified and available employees, consistent with the specialized skills and abilities necessary for the work to be performed;

2.3.4 not assign overtime work to any employee who is pregnant for seven month or more or currently raising a child under 12 months of age;

2.3.5 transfer to a lighter work or reduce the daily working hours of a female employee performing a heavy work when she is pregnant for seven months or more ot is tending a child less than 12 months of age.

2.3.6 arrange for the Employees who worked on overtime can take leave in compensation to restore to health in accordance with current labor legislations.

In case of leave in compensation is only granted for the additional worked hours, the employee shall be paid in addition an amount equivalent to the difference of overtime rate and regular rate;

The Company shall only pay the overtime when the leave in compensation is unable to arrange. Compensated leave or payment should be settled within the next month.

Article 3. Public holiday

3.1 Employees shall be entitled to have day off with full pay on public holidays as follows:

3.1.1 New Year's Day: 1 day (1 January)

3.1.2 Vietnamese New Year: 4 days (the last day of the old Lunar Year and the first 3 days of the new Lunar Year)

3.1.3 Victory Day: 1 day (30 April)

3.1.4 Labor Day: 1 day (1 May)

3.1.5 National Day: 1 day (2 September)

3.2 When public holidays (referred to above) coincide with the weekly rest day fixed in Article 1, the employees shall have another day off in compensation within next week as informed by HRD or otherwise specified by the department manager.

Article 4. Annual leave

4.1 Employees are entitled to 18 days of leave with full pay per working year. This annual leave shall increase by one day for every five years of service.

4.2 During the first year, employees may request for annual leave only after probationary period.

4.3 Annual leave shall be taken in proportion to the number of months that the employee worked in the year.

4.4 Annual leave shall not be used to compensate the days of termination notice; unless it is approved in writing by department manager.

4.5 When an employee falls ill while on annual leave, he/she shall be deemed to be on sick leave on the day he/she is duly certified to be sick in accordance with provision of Article 5. Then annual leave should be amended accordingly.

4.6 Application for annual leave must be submitted to the immediate superior in a Company prescribed form or electronic form. Application for more than 7 day annual leave must be done at least 4 weeks prior to the date on which the leave is to be taken and application for 3-7 day annual leave at least 2 weeks prior to the date on which the leave is to be taken. And application for less than 3 day application must be submitted at least 3 days prior to the date on which the leave is to be taken. When such leave application is approved, it must be submitted to the HRD for record and filing.

Comments in writing by superior are required in case application for leave could not be approved.

4.7 Employees are allowed to commence annual leave only upon receiving approval from their immediate superior in writing.

4.8 Employees are responsible to have plan and use their annual leave within the entitled year.

4.8.1 On 1st January of the subsequent year, unused leave of the year before shall be carried over maximum 6 days, any day in excess to this quantum will automatically be forfeited;

4.8.2 The leave that is carried over must be consumed in the 1st quarter of the following year, otherwise, they will be forfeited at the beginning of 2nd quarter.

4.9 The Company reserves the right to determine a timetable of annual leave after consulting the Executive Committee of the Trade Union if it deems necessary. Timetable of annual leave will be notified to all personnel in advance.

4.10 In case where a labor contract is terminated or under specific circumstances stipulated by the provisions of the law, payment shall be made for all the number of days of untaken leave entitled to by the Employee.

4.11 During a plant shutdown period, employees who are working in that area will be required to take annual leave for that period

Article 5. Sick leave

5.1 Employees who cannot present at work due to sickness must submit an application for sick leave to his/ her department manager. In the case of unpredictable sickness, Employees are required to immediately inform or ask other person to inform his/her department manager, or in the case the department manager is not available, the HRD (e.g by telephone) of his/her absence and submit the application for sick leave later upon his/her returning to work. The leave application must be approved by the department manager and sent to the HRD.

5.2 Sick leave is only approved when the employee furnishes “a certificate for day off to enjoy social benefit”. Such certificate is issued by the Company’s medical station, or any appropriate medical center. Employees who take sick leave will be paid a portion of their salary by the social insurance fund in accordance with its regulations. Regulations about maximum time – allowance for sick employees are as follows:

- 30 days a year for those paying for social insurance for less than 15 years.
- 40 days for those paying for social insurance from 15 years to less than 30 years.
- 50 days for those paying for social insurance from 30 years.
- Employees with diseases needed long treatment time, according to items listed by Health Ministry , are entitled to a maximum of 180 day- leave per year, irrespective of their social insurance paying duration. If treatment period lasts for more than 180 days, employees are given an allowance of 70% of the latest salary on which fees for social insurance is based for the emerging time if duration of their join in social insurance lasts for30 years and above; 65% of the latest salary if their participation last for less than 30 years.

- Employees having sick children (including adoptees) needed total care from parents are entitled to payment of social insurance. They get an allowance of 75% of the salary on which the contribution to social insurance is based.

- Only the mother or father of the sick child is allowed to take allowances of social insurance if they both contribute to social insurance.

- The maximum time allowance for employees taking care of sick children is as follows:

20 days per year for those with children below 3 years old.

15 days per year for those with children from 3 to less than 7 years old.

- Employees conducting measures of family planning such as: putting a coil,

embryo absorbing, etc…. are entitled to an allowance of 75% of the salary on which the contribution to social insurance is based.

5.3 If an employee fails to present a valid certificate on the date returning from sick leave, his leave shall be considered to be leave without proper reasons according to Article 8.

Article 6. Maternity leave

6.1 During pregnancy employees are granted three times of leave for fetal examinations, one day per leave.

6.2 The length of leave subject to maternity allowance is defined as follows:

6.2.1 4 months for female employees who work in a normal condition;

6.2.2 5 months for those who work on 3 shifts rotation;

6.2.3 In case of twin birth or more, 30 days of leave shall be granted for each child counted from the second one.

6.3 Maternity leave shall be commenced 30 days before delivery, or may be earlier by the prescription of a hospital.

6.4 Application for maternity leave must be submitted to the department manager in the Company prescribed form or electronic form at least three months prior to the date the leave is to be taken. When such leave is approved it must be submitted to the HRD for record and filing.

6.5 Female employee who is tending her child of less than twelve (12) months of age is entitled to one (1) hour off per day during working time with full pay for the purposes of breast-feeding.

Article 7. Leave for personal reason

7.1 Paid leave for personal reason

Employees will be entitled to a full payment of wage for personal leave of:

7.1.1 Three days for their own marriage

7.1.2 One day for their children's marriage

7.1.3 Three days for the dead of their parents (kindred and in-law also), guardian, spouse, and children

7.2 Unpaid leave for personal reason

The Company shall consider unpaid leave to employees for taking care of spouse, parents (kindred and - in -law also) or children when they are sick. The length of unpaid leave should be arranged on a mutually convenient basis, provided that such period shall not exceed 30 days in a year.

Employee is required to furnish satisfactory evidence to the HRD to support such leave in each case. The procedure in asking for paid and unpaid leave is the same as that for annual leave stated in 4.6

Article 8. Leave without Proper Reason

8.1 If an employee takes leave contrary to Articles 3 to 7 , the leave is considered to be leave without proper reasons and will be dealt with in accordance with these Regulations save for the case where the leave is taken due to natural disasters or a fire in accordance with the relevant provisions of the Labor Law.

8.2 In case employee takes leave without proper reason, the department manager must make a report on that case promptly with the signatures of the department manager and a witnessed employee. Such report shall be additionally signed by the employee when he/she resumes to work

The department manager must submit all reports of taken leave without proper reasons to HRD for a proper examination on each case to process disciplinary action, if necessary. Otherwise, the manager is subject to disciplinary process.

CHAPTER II: ORDER WITHIN THE COMPANY

Article 9. Principles of accessing to Company premises

Employees must comply with the following principles when come in and out Company premises:

9.1 Enter, exit only by alley for pedestrian and under the supervision of security officer;

9.2 Leave the Company premises instantly when time of work or duty is finished except where a consent has been obtained in accordance with Article 9.8 ;

9.3 When accessing to Company premises, employees must be properly groomed and neatly dressed, wear employee card, clock in at the time machine and display personal stuff to security officer;

9.4 When leaving, employees must clock out and automatically display personal luggage to security officer;

9.5 Do not bring out any Company's property or material without obtaining proper authorization from a competent officer;

9.6 Do not access to the Company's premises when being influenced at any level by alcohol, beer or any other stimulant;

9.7 Employees working at the plant should not leave Company premises during the working hours, including overtime, without written permission of his/her superior.

9.8 Employees are not allowed to enter or remain on the Company's premises outside working hours without prior approval of his/her department manager. Failure to obtain such consent is a breach of these Regulations and is subject to the disciplinary sanctions provided in these Regulations.

9.9 Employees are not allowed to enter restricted area without permission.

9.10 Employees are required to let security guards search for cameras and phones with cameras every enter and exit.

Article 10. Quality of working hours

Every employee has to ensure the quality of working hours for the performance of work duties. To achieve this goal employees are required to avoid the following unexpected behaviors:

10.1 Late attendance, leaving work early, prolonged period of rest;

10.2 Personal business or personal activities during working hours;

10.3 Hinder other employee from working;

10.4 Sleeping at the workplace or during working hours;

10.5 Leaving work place or work area during working hours without proper permission from direct superior;

10.6 Absence without permission from direct superior or reasonable excuse.

Article 11. Employee card

Working with the Company, each employee is provided with an employee ID card. Employees are required to properly maintain the ID cards and observe the following code:

11.1 Use employee card for recording time in and out when accessing to Company premises;

11.2 Put on ID card at all times and in any workplace during working hours;

11.3 Giving ID card to another person or using the card of others for any purpose is strictly prohibited;

11.4 Return ID card to the HRD upon termination of service and before the settlement of separation benefits;

11.5 Report to the HRD for a replacement when the ID card is damaged or lost. Employees are responsible for the cost of new card issuance in case of losing the card.

Article 12. Uniforms

Employees who are granted uniforms are required to maintain them neatly and observe the following rules:

12.1 Wear uniform properly at all times and at any workplace during working hours;

12.2 Return uniforms that were provided last time to the HRD upon termination of service and before the settlement of separation benefits.

Article 13. Workplace

13.1 Employees are required to maintain the cleanliness and the tidiness of their workplace.

13.2 Employees must not put any classified confidential working documents on their desk when they are not at their workplace.

13.3 Employees who work in plant or office must work at an assigned place, and should not come to an unassigned location without prior approval from line managers.

13.4 Sales, delivery employees must work at an assigned field and should not sell or deliver the products in the field of others and must be within territory during working hours.

Article 14. Work tools

Work tools include but are not limited to stationery, documents, invoices, equipment, vehicle, machinery, hand tools, spare parts, raw material, materials, documentation, information, data, formula, etc… that the employees are assigned to perform duties. In this respect, employees are required to observe the following rules:

14.1 Safeguard work tools properly, strictly follow the usage and maintenance instruction of each tool;

14.2 Do not use work tools that are not within the scope of responsibility or for personal purposes;

14.3 Do not waste or misuse work tools;

14.4 Do not fraudulently exchange or replace work tools;

14.5 Do not misplace work tools;

14.6 Do not bring out any work tool from the work place without obtaining permission from a manager.

Article 15. Policies, procedures, process

The employees must observe and comply with policies, procedures and processes that relate to operation, production, sales, distribution, finance, human resources, protection of assets, protection of information, protection of environment that issued by competent department and announced to employees. These policies, procedures and processes should be in compliance with the laws.

Article 16. Principle of conducts

To ensure the order and discipline in labor relation, providing the performance that meets the requirement of the Company and the objective of the department, all employees are responsible to observe the following principles of Employee's conduct and behavior.

16.1 Employees, in conducting the business of the Company, shall deal with co-workers and the public in a respectful and courteous manner.

16.2 Employees shall strive to perform their works in a consistently high level of quality.

16.3 Employees shall obey and uphold the laws of the country.

16.4 Employees shall observe the legal instructions and assignments of their managers.

16.5 Employees shall follow and promote general standards of safety and health on the job.

16.6 Employees shall follow all rules and regulations established for each department so long as those rules and regulations do not conflict with these Regulations.

16.7 Employees are responsible to report any illegal activity and/or breach of these Regulations of co-workers or supervisors to their department manager or the General Director.

16.8 Employees shall cooperate fully and legally in hearing and investigation conducted by or authorized by the General Director.

CHAPTER III: OCCUPATIONAL SAFETY AND HYGIENE

Article 17. Regulations on occupational safety and health

17.1 Safeguarding employees' health, ensuring occupational safety and hygiene are the obligations of the Company. Therefore the Company has drawn up appropriate rules and processes of occupational safety and health for different kinds of machinery, equipment and materials;

provided sufficient personal protective devices and carried out other measures ensuring occupational safety and health for the employees in conformity with the country standards

17.2 The employees are obliged to comply with the following regulations:

17.2.1 Thoroughly understand and comply with all rules and regulations on safety and hygiene relating to work duties and responsibilities;

17.2.2 Use and maintain all protective equipment which have been provided and indemnify if damage or lose them;

17.2.3 Put work tools in a proper place, use the correct tools for a right job, keep the work place always clean and order;

17.2.4 Report timely to responsible person when any risk of a work-related accident, occupational disease or poisoning, dangerous event is discovered;

17.2.5 Take part in rescuing and recovering the consequences of a work-related accident when required by the Company or department manager;

17.2.6 Participate in any occupational safety and health training that organized by competent department;

17.2.7 Participate in annual health check when required by a competent department;

17.2.8 Do not use, operate, control or repair any work tools, equipments, machines outside the assigned duties;

17.2.9 Do not draw, paint improperly for any purpose, spit or drop litter pell-mell, make mess in an improper place within the Company premises.

CHAPTER IV: PROTECTION OF RIGHTS, PROPERTY, TECHNOLOGICAL AND BUSINESS SECRETS OF THE COMPANY

Article 18. Conflict of interest

The employees should avoid situations where their personal interests conflict, or appear to conflict, with those of the Company. Purchase of more than 1% of the stock in a customer, competitor or supplier – have a financial interest in a transaction between the Company and a third party – serve as an officer or director or consultant to an outside business on your own time – all must be approved by the General Director.

Article 19. Financial records

19.1 Every Company financial record – including timesheets, sales records and expense reports – must be accurate, timely and in accordance with the law. These records are the basis for

managing the Company's business and for fulfilling its obligations to share owners, employees, customers, suppliers and regulatory authorities.

19.2 The employees have the responsibility to ensure the accuracy and the completeness of financial records by implementing the following principles:

19.2.1 Always record and classify transactions in the proper accounting period and in the appropriate account and department. Never delay or prepay invoices to meet budget goals;

19.2.2 Never falsify any document or distort the true nature of any transaction. All transaction must be supported by accurate documentation;

19.2.3 All reports made to regulatory authorities must be full, fair, accurate, timely and understandable;

19.2.4 Estimates and accruals in Company records must be supported by appropriate documentation and based on good faith judgment;

19.2.5 Payments can only be made to the person or the firm that actually provided the goods or services to the Company;

Notes: All transaction need to be completed as per deadlines.

Article 20. Use of Company assets

20.1 Company assets are meant for Company, not personal use. Company assets include employees' time at work and work product, as well as the Company's equipment and vehicles, computers and software, Company information and trademarks and name. The employees are required to observe the following principles:

20.1.1 Do not use the Company's assets for your personal benefit or the benefit of anyone other than the Company;

20.1.2 Do not take for yourself any opportunity for financial gain that you find out about because of your position at the Company or through the use of Company property or information;

20.1.3 Do not misuse Company assets;

20.1.4 Never use Company assets – including information, work product or trademark – outside of your Company responsibilities without approval of General Director;

20.1.5 Never use computer system and equipment of the Company for outside businesses, illegal activities, gambling or pornography.

Article 21. Working with customers and suppliers

21.1 It often is customary to exchange gifts and entertainment with customers and suppliers. The key is to keep an arm's length relationship. Avoid excessive or lavish gifts that may give the appearance of undue influence. Avoid personal financial transactions with customers and suppliers that may influence your ability to perform your job. The employees must observe following principles when working with customers and suppliers:

21.1.1 Never accept entertainment or lavish gifts with value more than USD50.

21.1.2 Gifts and entertainment for customers and suppliers must support the legitimate business interest of the Company and should be reasonable and appropriate under the circumstances.

21.1.3 Company stock cannot be given as a Company's gift under any circumstance.

21.1.4 Always deal fairly with the Company's customers, suppliers, competitors and employees. Never take unfair advantage of anyone through misrepresentation or any unfair business practice.

Article 22. Working with Governments

22.1 Conducting business with Governments is not the same as conducting business with private parties. These transactions often are covered by special legal rules. The employee should consult with Company legal counsel or Finance Director to be certain of being aware of any such rules and must have approval of General Director before providing anything of value to a government official.

22.2 The employees shall observe the following principles when working with Governments:

22.2.1 Bribery in any form is prohibited.

22.2.2 All facilitating payments must be approved in advance by General Director and recorded appropriately.

22.2.3 Government officials should never be hired to perform services that conflict with their official duties.

Article 23. Protecting confidential technological and business secrets

23.1 Safeguarding the Company's confidential technological and business secrets (collectively referred to as "**Confidential Information**") is the obligation of employees. The employee who is in possession of Confidential Information should not share this information with anyone inside or outside the Company unless it is necessary as part of their work responsibilities.

23.2 Confidential Information is any information that has not been disclosed or made available to the general public and is specified in Article 23.3 below. Trading for personal benefit based on Confidential Information, or providing Confidential Information to others so that they may trade, is illegal and may result in prosecution.

23.3 Confidential Information includes the information about:

23.3.1 financial or technical data or data related to the use of products or services;

23.3.2 plans for acquisitions or divestitures;

23.3.3 product formulations, manufacturing processes and methods;

23.3.4 product evaluation processes;

23.3.5 new products;

23.3.6 plans and results of research and development;

23.3.7 inventions, designs, specifications, processes or formulate;

23.3.8 marketing and advertising studies and plans;

23.3.9 names and details relating to past, present or prospective consumers, customers, suppliers and agents, or customer feedback information

23.3.10 personal information (any information rather than name and position) about employees and new personnel hiring or development plans;

23.3.11 contracts, contractual terms and other details relating to the Company's contractual relationships;

23.3.12 expansion plans of business, sales or manufacturing;

23.3.13 financial transactions;

23.3.14 any applications made by the Company to any government agencies;

23.3.15 operational methods, plans or strategies;

23.3.16 major management changes and other corporate developments;

23.3.17 any other data or information in which the Company has an expectancy of confidentiality and has requested the employees to maintain in confidence.

23.4 The employees shall observe the following principles on protecting Confidential Information:

23.4.1 Do not disclose Confidential Information to anyone inside or outside the Company, except when disclosure is requested by the authorized State agencies in accordance with the applicable law or required for business purposes and appropriate steps have been taken to prevent misuse of the information;

23.4.2 Do not buy or sell stocks or securities based on Confidential Information obtained from their work at the Company;

23.4.3 Disclosing Confidential Information to others, including family and friends, is a violation of these Regulations and may violate the law;

23.4.4 Do not bring any documents containing Confidential Information out of the Company's premises without the written permission of the General Director;

23.4.5 Implement all measures on protecting Confidential Information of the Company.

CHAPTER V: LABOUR DISCIPLINE

Article 24. Disciplinary measures

Employee who violates labor discipline, depending on the degree of breach, shall be dealt with by:

24.1 Warning (verbal or written);

24.2 having pay increase deferred for not more than 6 months, or being transferred to another position with lower pay for a maximum of 6 months, or being demoted;

24.3 being dismissed.

Article 25. Principles of disciplining

When proceeding with disciplinary action, the competent officer must observe the following principles:

25.1 Only one disciplinary measure shall be applied to one transgression;

25.2 In case several transgressions are committed at the same time, only a higher disciplinary measure shall be applied appropriately to the most serious offense;

25.3 Disciplinary action that encroaches body and dignity of employee is prohibited;

25.4 Monetary fine and wage deduction in lieu of discipline are prohibited;

25.5 Procedures of omitting discipline

Three months after a warning and six months after a deferral of pay increase or a transfer to another position with lower pay, if the same breach has not been repeated, the disciplinary measure in question shall be automatically repealed;

25.6 Repeating a breach means committing the same breach or another breach of the same gravity while disciplinary record of such breach has not been repealed;

25.7 Duration of disciplining

The term for handling a violation of labor discipline of an employee is three months at most, from the date the infringement is committed or discovered. This term shall be a maximum of six

months in case the violation is related to finance, property, disclosure of technological and business secrets of the Company;

25.8 Temporary suspension

When violation involves great complexity and it is considered that the continued presence at work of the employee concerned may cause difficulties to the investigation and determination of the case, the Company shall have the right to temporarily suspend the work of that employee, after consulting the Executive Committee of the Trade Union of the Company. The duration of the temporary suspension of work shall not exceed 15 days and, in special cases, 3 months.

25.9 All managers, supervisors are responsible to take minutes on every alleged violation of these Regulations of their subordinates. Minutes of violation must be signed by such managers or supervisors and the violator and/or the witness of such violation and must be submitted to the HRD Manager within 3 days from the date the incident occurred.

25.10 Upon receiving minutes of violation, the HRD Manager must review the correctness of each minutes, process necessary inquiries to obtain evidence that supports the hearing, report obvious violation to the General Director and organize the hearing in accordance with current labor legislations.

Article 26. Competence in handling discipline

General Director is the only figure who can execute labor discipline and legally designate other positions to carry out such actions.

26.1 Verbal warning: executed by the superior of the violator, recorded in a report and submitted to the HRD;

26.2 Written warning: executed by department manager or function director of the violator and the HRD manager;

26.3 Deferral of pay increase, transfer to another position with lower pay, demotion or dismissal: executed by the General Director.

Article 27. Procedures of application of disciplinary measures

27.1 Procedures of disciplining

When disciplining a violation of Regulations, breach of an employee must be proven with evidence or by a witness; the examination must be carried out in the presence of the person concerned and with the participation of a representative of the Trade Union, except in case of verbal warning. Concerned person has the right for defense.

27.2 Application of all disciplinary measures must comply with the following procedures:

A disciplinary hearing must be organized with the attendance of employer or a legal representative of the employer as the chairman, representative of the executive committee of the Trade Union, the concerned employee, witness (if any), defender (if any).

A minutes for the disciplinary hearing must be made in accordance with the form stipulated by the Labor Laws.

The disciplinary hearing will be held as follows:

27.2.1 The chairman states the reasons for convening the hearing and introduce the participants;

27.2.2 The concerned employee presents his/her report on the incident. If such a report is not available, the chairman presents the minutes on the incident or the discovery of the incident, and the chairman should state the reason why the report of the employee is not available;

27.2.3 The chairman presents the documentations for handling labour disciplines;

27.2.4 The witness (if any) presents on the incident;

27.2.5 The chairman proves the fault of the employee and determine the breach and the form of disciplinary measure in accordance with these Regulations of the Company;

27.2.6 The representative of the executive committee of the Trade Union, and the defender (if any) comments on the presentation of the chairman;

27.2.7 The chairman comes to a conclusion on the breach and the corresponding disciplinary measure;

27.2.8 The participants agree and sign the minutes of the disciplinary hearing.

27.3 The Company shall issue a decision on the application of the disciplinary measure in accordance with the form stipulated by the Labor Laws. The decision shall be signed by the relevant person stipulated in Article 26.

27.4 If after three times of written notices (3 days for each notice), the concerned employee remains absent from the disciplinary hearing, the Company shall have the right to make the decision on labor discipline after consultation with the executive committee of the Trade Union and notify the employee of such decision.

27.5 Where the disciplinary measure applicable is dismissal, the Company shall have to consult, and seek agreement from, the executive committee of the Trade Union of the Company. In the case of disagreement, the Company shall report to the DoLISA. After 30 days from the date of notification to the DoLISA, the Company may make the decision on the dismissal.

27.6 The decision on dismissal must be sent to the concerned employee and the executive committee of the Trade Union of the Company. Within ten days from the date of making the decision on dismissal, the Company must send a copy of the decision together with a copy of the minutes of the disciplinary hearing to the DoLISA.

Article 28. Specific violations of discipline

28.1 Warning:

Employee who commits a minor offence for the first time will be given a warning. All warnings will be recorded and kept in the personal file.

28.1.1 Verbal warning will be applied to any of the following violations:

28.1.1.268381744 Come to work later than the time stipulated 1 time in a month;

28.1.1.268381745 Leave work earlier than the time stipulated 1 time in a month;

28.1.1.268381746 Do not enter, exit the Company premises by the stipulated alley

28.1.1.268381747 Failure to clock in or clock out when accessing or leaving the Company premises

28.1.1.268381748 Failure to display personal stuff, luggage to security officer when accessing or leaving the Company premises

28.1.1.268381749 Failure to wear provided uniform during working hours

28.1.1.268381750 Failure to wear employee card during working hours

28.1.1.268381751 Failure to maintain the cleanliness and the tidiness at the workplace

28.1.1.268381752 Failure to switch off lighting, air conditioner, computer system after working hours

28.1.1.268381753 Eating at the workplace

28.1.1.268381754 Break public hygiene

28.1.1.268381755 Smoking in an inside facility

28.268370944.268380465 Written warning will be applied to any of the following violations:

28.1.2.268377664 Commit the same violation that was disciplined in form of written blame, within 3 months from the date the blame is given

28.1.2.268377665 Rest during working hours not in accordance with the regulations on time of work, time of rest

28.1.2.268377666 Prolong time of rest more than the time stipulated

28.1.2.268377667 Absence from the workplace for half an hour or more without obtaining permission from a direct superior

28.1.2.268377668 Absent from work without legitimate reason

28.1.2.268377669 Failure to plan the monthly additional working hours to ensure the smooth operation of the unit

28.1.2.268377670 Failure to agree in prior with the employees for overtime work in accordance with the approved plan

28.1.2.268377671 Failure to work overtime in accordance with prior agreement

28.1.2.268377672 Take annual leave before obtaining approval from a direct superior

28.1.2.268377673 Taking sick leave, leave for personal reason without valid authentication or beyond approved time frame

28.1.2.268377674 Appoint a female employee to work overtime, at night or in a distant place when she is pregnant for 7 months or is nursing a child under 12 months of age

28.1.2.268377675 Do not transfer or do not reduce the daily working hours of a female employee performing a heavy work when she is pregnant for seven month

28.1.2.268377676 Do not reduce the daily working hours of a female employee who is nursing a child under 12 months of age

28.1.2.268377677 Do not take minutes about case of subordinate taken leave without legitimate reason stated in provision 8.2

28.1.2.268377678 Do not submit to HRD minutes of taken leave without legitimate reason of subordinate stated in provision 8.2

28.1.2.268377679 Remain on the Company premises when time of work or duty is finished without consent (preferably in writing) of the department manager

28.1.2.268377680 Remove any product, material, property of the Company without obtaining proper authorization from direct superior at regional level

28.1.2.268377681 Access to the Company premises when being influenced at any level by beer, alcohol or any other stimulant

28.1.2.268377682 Enter into Company premises outside normal working hours without consent (preferably in writing) of a department manager at regional level

28.1.2.268377683 Perform personal business or personal activities during working hours

28.1.2.268377684 Hinder other employee from working

28.1.2.268377685 Sleep while on duty

28.1.2.268377686 Give personal employee card to another person for any purpose

28.1.2.268377687 Use personal employee card of another employee for any purpose

28.1.2.268377688 Not report to HRD for a replacement of employee card when it is damaged or lost

28.1.2.268377689 Playing (including playing computer games) during working hours

28.1.2.268377690 Vending of anything in the Plant without authorization from the management

28.1.2.268377691 Display classified confidential document on desk when being not available at the workplace or after working hours

28.1.2.268377692 Improper safeguard the assigned work tools

28.1.2.268377693 Use assigned work tool for personal purposes

28.1.2.268377694 Waste, misuse or overuse work tools

28.1.2.268377695 Fraudulently exchange or replace work tools

28.1.2.268377696 Bring out any work tool from the work place without obtaining permission from a competent officer

28.1.2.268377697 Use a work tool that is not within the scope of responsibility

28.1.2.268377698 Allow another employee to use any work tool that is not within the scope of his/her responsibility

28.1.2.268377699 Neglect of duty

28.1.2.268377700 Dereliction of duty that caused minor detrimental to the property, well being of the Company, its employee, its customer or its supplier

28.1.2.268377701 Insubordination, disobedience or willful refusal of any lawful and reasonable instruction or order of the Management or direct supervisor

28.1.2.268377702 Disregard the authority of the Management or direct supervisor

28.1.2.268377703 Failure to wear protective equipment when on duty

28.1.2.268377704 Misuse or improperly maintain protective equipment

28.1.2.268377705 Write, draw, paint improperly within the Company premises

28.1.2.268377706 Come into an unassigned location

28.1.2.268377707 Failure to report any risk of a work related accident, occupational disease or poisoning, dangerous event that occurs with scope of responsibility

28.1.2.268377708 Absent from any occupational safety and health training that is organized and informed by competent department

28.1.2.268377709 Failure to participate in annual health check required by a competent department.

268380384.268374464 Offences which are committed one of the following classification will be dealt with disciplinary action in form of deferment of pay increase for 6 months, or transfer to another position with lower pay for a period of not exceeding 6 months, or demotion.

250376160.250373521.1 Commit the same violation that was disciplined in form of written blame, within 3 months from the date the blame is given

250370880.250377281.2 Gambling of any form during working hours

250369840.250374640.250371600 Drinking alcohol, beer, irrespective of consumption level during working hours

250375840.250372560.250375040 Breaking of peace, order and security in the Company premises

250375840.250372560.250375041 Sexual harassment or being discourteous toward a colleague, a customer

250375840.250372560.250375042 Assault, threat or conduct a cruel act against an employee or a customer of the Company

250375840.250372560.250375043 Intentionally bringing a colleague, the Company into disrepute

250375840.250372560.250375044 Failure to comply with policies, procedures and processes that regulate the production and the business of the Company

250375840.250372560.250375045 Deliberate defiance of a legal appointment of the Employer

250375840.250372560.250375046 Deliberate violation of safety regulations that may cause or have caused injury to colleague or damage to Company property

250375840.250372560.250375047 Willful slowing down or disrupting work or business activity of the Company or influencing others to do so

250375840.250372560.250375048 Making false statement during the course of investigation of a violation

250375840.250372560.250375049 Asking other employee to violate these Regulations

250375840.250372560.250375050 Failing to co-operate in an investigation of a violation of these Regulations

250375840.250372560.250375051 Failure to report an alleged violation to these Regulations that occurs within scope of responsibility

250375840.250372560.250375052 Contemptuous display of disrespect for example making insolent comments, portraying these feelings in the attitude shown while on a Company meeting

250375840.250372560.250375053 Retaliation, victimization, maltreatment of employee

250375840.250372560.250375054 Assign an employee to another work without employee's acceptance and written approval from the Management

250375840.250372560.250375055 Failure to notify the Company of the changes or errors in the employees' application dossier where the error or change is fraudulent or material in nature

250375840.250372560.250375056 Failure to report or classify transactions in a proper accounting period and in the appropriate account

250375840.250372560.250375057 Purposefully delay or prepay invoices to meet budget goals

250375840.250372560.250375058 Make inappropriate estimates or accruals in Company records

250375840.250372560.250375059 Use Company's assets for personal benefit or the benefit of any one other than the Company that caused damage/loss less than 5 million Dong to the Company

250375840.250372560.250375060 Use Company assets, including information, work product or trade mark, outside of Company responsibilities without approval of General Director

250375840.250372560.250375061 Use computer system and equipment of the Company for outside business, illegal activities, gambling or pornography

250375840.250372560.250375062 Install any additional software into the Company computer, equipment without approval from a competent department

250375840.250372560.250375063 Use, operate, control or repair any work tool, equipment, machine outside the assigned duties

250375840.250372560.250375064 Failure to implement any measure given by the Company to ensure occupational safety, hygiene, prevention of work related accident and disease

250375840.250372560.250375065 Acceptance of entertainment or lavish gift with value more than USD50 from a customer or a supplier of the Company

250375840.250372560.250375066 Offer gift or entertainment to a customer or a supplier of the Company that does not support the legitimate business interest of the Company

250375840.250372560.250375067 Unfairly deal with a customer, a supplier, a competitor and an employee of the Company

250375840.250372560.250375068 Take advantage of anyone or commit unfair/illegal business practice through misrepresentation of the Company

250375840.250372560.250375069 Provide facilitating payment without prior approval of General Director

250375840.250372560.250375070 Bring any document containing Confidential information out of the Company premises without written permission of the General Director

250375840.250372560.250375071 Retain or discard confidential information not in accordance with the Company's record retention policies

250375840.250372560.250375072 Drink packaged products inside production facility

250374720.250370160 Dismissal

250691552.250663632.250684592 Dismissal shall be applied as a disciplinary measure in the following circumstances:

250691552.250663632.250684592.250661312 An employee who has committed, in any manner or degree, an act of theft, embezzlement against the Company, the customer or the employee of the Company;

250691552.250663632.250684592.250661313 An employee who has committed, in any manner or degree, an act of disclosure of any Confidential Information stipulated at Article 23.3 of these Regulations;

250691552.250663632.250684592.250661314 An employee who committed any act that causes severe damages to the property or the interest of the Company or the customer of the Company. The following acts shall be considered as acts that cause severe damages to the property or interest of the Company:

i. swindling to appropriate property, money;

ii. forgery of authorized signature, stamp, document, data, invoice of the Company;

iii. dishonestly reporting the true nature of any transaction;

iv. sabotage;

v. speculation of Company's products;

vi. assault and battery caused any injury to customer or other employee;

vii. give or receive a bribe;

viii. found guilty to hire government officials to perform services that are in conflict with their official duties;

ix. deceit in reports relevant to the management of business, production, finance;

x. deceit in payment, sales, purchases, banking transactions or customer services;

xi. use, possession or distribution of narcotics, cocaine, heroin, prohibited object or substance during working hours or within Company premises;

xii. use, possession or distribution of any kind of combustible or explosive material within the Company premises;

xiii. violation of the rule on issuing financial invoices;

xiv. command failure resulting in severe loss to the property, benefit of the Company;

xv. break in to an area, database, confidential information outside of job responsibility;

xvi. leading or participating in an illegal effort to undermine the reputation of an employee or to remove an employee from his/her position;

xvii. slandering against the Company or any employee of the Company, or provide wrong information about the Company to the media;

xviii. rape or commit other criminal acts during working hours or within Company premises or relating to the Company;

xix. any other acts that cause damages to the property of the Company of an aggregate value of VND5,000,000 or more;

xx. Be caught in the act of executing monetary fine or wage deduction in lieu of discipline;

xxi. possession of any lethal weapon in the Company premises.

250691552.250663632.250684592.250661315 An employee whose pay increase has been deferred, or who has been transferred to another position with lower pay as disciplinary measure and who again commits the same breach of labor discipline while the discipline measure has not been repealed or is a recidivist while being demoted;

250691552.250663632.250684592.250661316 An employee who has been absent for a total of five days in a month or twenty days in a year without legitimate reason as provided for in Article 8;

250691552.250663632.250684593 When an employee commits any act stated in this Article, and if there is not enough evidence or difficult to prove guilty, the employer may request competent organization to investigate, verify and conclude for disciplining.

CHAPTER VI: MATERIAL LIABILITY

Article 250691553. Notion and domain of application

During the course of employment, the employees are giving the right to manage, use, maintain, preserve, carry … equipment, materials, machinery, products, money, documentation … that are Company property. And when exercising labor rights and obligations, an employee who causes damages to the Company's property shall compensate the Company for such damages. Payment of compensation does not relieve an employee from the application of disciplinary measures stipulated in Articles 28.

Article 250691554. Pay damage

250688112.250690112 An employee who has caused damage to tools or equipment or has committed an act causing damage to properties of the Company should indemnify in accordance with the laws for the damage incurred. If the damage is caused through negligence and is not serious in nature, the maximum compensation shall not exceed 3 months salaries of concerned employee and shall be deducted gradually from wages as regulated by current labor legislation.

250688112.250690113 An employee who loses tools, equipment, or other property of the Company, or utilizes materials beyond the permitted norms shall be liable to compensation in full for the losses at market price.

250688112.250690114 An employee who loses sales money, products shall indemnify to their real value, loses invoices shall be compensated in accordance with stipulations given by competent authority.

CHAPTER VII: INFORMATION EXCHANGE

Article 250688113. Information Exchange

250688113.250690112 The Company has a policy of open communication. Employees are encouraged to discuss and resolve work-related issues, problems, ideas, or suggestions for improvements with his/ her supervisor or the Department Manager.

250688113.250690113 Employees shall be responsible for reading the notice board of the Company. Any notices, guidelines or policies of the Company which have been posted on the notice board shall be deemed known by the employees.

CHARTER VIII: IMPLEMENTATION PROVISIONS

Article 32. Implementation provisions

32.1 Necessary efforts shall be made by the Company to ensure that these Regulations are as comprehensive as possible. Main provisions should be posted regularly on Company notice boards and other indispensable places within the Company.

32.2 The Company may amend or delete any of the provisions contained herein as might be required from time to time after consultation with the executive committee of Trade Union in order to adhere with current labor laws. All changes should be registered at the DoLISA and communicated to all employees.

32.3 All previous labor provisions of the Company contrary to these Regulations are hereby repealed.