

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

SALES CONTRACT

No: /HABECO – HTH

Pursuant to the Civil Code No. 91/2015/QH13 passed by the 13th National Assembly of the Socialist Republic of Vietnam on November 24, 2015, effective from January 1, 2017;

Pursuant to the Commercial Law No. 36/2005/QH11 passed by the 11th National Assembly of the Socialist Republic of Vietnam on June 14, 2005, effective from January 1, 2006;

Pursuant to the Law on Intellectual Property No. 50/2005/QH11 passed by the 11th National Assembly of the Socialist Republic of Vietnam on November 29, 2005, effective from July 1, 2006;

Pursuant to the Law on Product and Goods Quality No. 05/2007/QH12 passed by the 12th National Assembly of the Socialist Republic of Vietnam on November 21, 2007, effective from July 1, 2008;

Pursuant to the Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on June 17, 2020, effective from January 1, 2021,

Based on the capabilities and needs of both Parties,

Today, [date] at 183 Hoang Hoa Tham, Ba Dinh District, Hanoi City, we include:

PARTY A: HANOI BEER ALCOHOL AND BEVERAGE JOINT STOCK CORPORATION

Head office : 183 Hoang Hoa Tham, Ngoc Ha Ward, Ba Dinh District, Hanoi City

Phone : 84.024.38453843; Fax: 84.024.37223784

Account : 1500201055412 Vietnam Bank for Agriculture and Rural Development - Hanoi Branch.

Tax code : 0101376672

Representative : Mr. **Tran Thuan An** Position: **Deputy General Director**

(According to Power of Attorney No. 128/GUQ- HABECO dated May 17, 2021 of the General Director)

PARTY B : HANOI - THANH HOA BEER JOINT STOCK COMPANY

Head office : 152 Quang Trung, Ngoc Trao Ward, Thanh Hoa City, Thanh Hoa Province

Phone : 0237.3852503 Fax: 0237.3853270

Account : 119 0000 19541 Vietnam Joint Stock Commercial Bank for Industry and Trade - Sam Son branch.

Tax code : 2800791192

Representative : Mr. **Nguyen Kien Cuong** Position: **Director**

The two Parties agree to sign the Contract with the following terms:

Article 1: General principles

1.1. Party A and Party B shall organize the production of products (as specified in Article 2 of this Contract) according to the technology and brand name registered for intellectual property protection of Party A (hereinafter referred to as Hanoi Beer branded-products bearing the Hanoi Beer). In which:

1.1.1. Party A provides documents related to the production process of Party B. Party A controls Party B in carrying out the production process of products under the Hanoi Beer brand of Party A at Party B.

1.1.2. Party B organizes production and ensures product quality according to Party A's requirements.

1.1.3. Party A sells to Party B raw materials that are decisive to the quality of products under the Hanoi Beer brand of Party A.

1.2. Party B shall sell to Party A the entire quantity of products that have been confirmed by Party A to be of good quality at the agreed price. The quantity of products that are not confirmed by Party A to be of good quality shall be handled according to regulations.

1.3. Party A authorizes Transport Companies and/or Trading Companies to deliver and receive finished beer and keg bottles with Party B. Party A notifies Party B lists individuals signing on behalf of the buyers on Party B's value-added tax invoice.

1.4. Depending on the time and financial capacity, Party B will support product consumption and brand development for Party A.

Article 2: Product name and quality

2.1. Product name: - Bottled/canned beer.....

2.2. Quality:

The quality of products under the Hanoi Beer brand produced by Party B must comply with the regulations of Party A:

- Documents on quality standards in the document system ISO.
- The Product Quality Declaration is posted and updated on the website: <https://www.habeco.com.vn> of Party A.

Article 3: Purchase and sale price of raw materials and finished beer

3.1. For finished beer: The price unit of the product that Party B sells to Party A is the price unit including the excise tax that Party B must pay according to current regulations of the State.

The basis for determining the price for calculating excise tax shall be notified in writing by Party A to Party B at each period. When there is a change in the price unit, the two parties will agree with each other in the Contract Appendix.

3.2. For raw materials:

The location of delivery of raw materials is at Party A or Party B according to the agreement between the two parties. When there is a change in price unit or types, the two parties will agree and sign an additional Contract Appendix.

Article 4: Conditions, terms and methods of payment

4.1. Payment conditions:

4.1.1. For finished beer: Party A shall pay Party B after satisfying the following 2 conditions:

- Products manufactured according to Party A's order are ready for delivery and meet quality standards.
- Party A receives valid VAT invoice and Beer export list from Party B.

4.1.2. For raw materials: Party B shall pay Party A after Party B receives raw materials and valid VAT invoices from Party A.

4.2. Payment terms and methods:

4.2.1. For finished beer: Party A shall pay Party B by bank transfer to Party B's account, maximum 30 working days from the date Party A receives Party B's valid payment documents or offsets the sale of raw materials to Party B.

4.2.2. For raw materials: Party B shall pay Party A by bank transfer to Party A's account, maximum 30 working days from the date Party B receives Party A's valid VAT invoice or offset the sale of finished beer to Party A.

4.2.3. The payment of offsets at points 4.2.1, 4.2.2 and other payments (if any) between the two Parties shall be based on the Debt Offset Reconciliation Minutes. The remaining value shall be paid by bank transfer.

4.2.4. Payment terms may be changed by written agreement of both parties.

4.3. Payment method: Offset debt or transfer in VND.

Article 5: Location and process of delivery of finished beer/bottles

5.1. Delivery location: At Party B's warehouse and/or Party A's warehouse.

5.2. Delivery process: Implemented according to the regulations of both parties.

5.3. Shipping and handling costs:

5.3.1. In case of delivery at Party B's warehouse: Party B is responsible for paying the cost of loading and unloading goods and products onto and off Party A's means of transport at Party B's warehouse.

5.3.2. In case of delivery at Party A's warehouse: Party B is responsible for paying the cost of loading and unloading goods at Party B's warehouse and the cost of transporting goods to Party A's warehouse.

Article 6: Rights and responsibilities of each Party

6.1. Rights of Party A:

6.1.1. Adjust the quantity of products to increase or decrease, depending on the actual consumption situation.

6.1.2. Inspect and supervise Party B on the entire production process of products under the Beer brand of Party A.

6.1.3. Send staff to Party B to implement technical supervision of the production of Party A's products.

6.1.4. Require Party B to properly implement the terms of this Contract.

6.1.5. Other rights as stipulated in this Contract.

6.2. Responsibilities of Party A:

6.2.1. Notify Party B of the monthly production plan before the 17th of the previous month. Carry out production management and daily transportation of finished beer/bottles.

6.2.2. Purchase the entire quantity of products confirmed by Party A to be of good quality and produced by Party B according to Party A's Order.

6.2.3. Pay debts as prescribed in Article 4 of this Contract.

6.2.4. Perform the responsibilities specified in this Contract and its annexes.

6.3. Rights of Party B:

6.3.1. Request Party A to provide documents on product quality standards, raw materials, additives, chemicals, packaging to produce and package products under Party A's Beer brand.

6.3.2. Require Party A to sell raw materials in the correct quantity, quality, time and location as agreed by both Parties.

6.3.3. Request Party A to pay debts in accordance with the provisions of Article 4 of this Contract.

6.3.4. Request Party A to instruct on the implementation of the Contract and at the same time properly implement the provisions of the Contract.

6.3.5. Other rights as stipulated in this Contract.

6.4. Responsibilities of Party B:

6.4.1. Prepare and monitor monthly production plans in accordance with regulations in HD.01/KH.

6.4.2. Organize production according to technological processes and technological security requirements.

6.4.3. Preserve finished beer and raw materials in the warehouse according to Party A's standards. Provide guidance on monitoring products under Party A's Beer brand. The warehouse must have the capacity to ensure the Production Plan and comply with Party A's regulations.

6.4.4. Notify Party A of failure to ensure the delivery plan of finished beer and receipt of raw materials.

6.4.5. Be subject to inspection and supervision by Party A on the entire process of producing beer under Party A's brand.

6.4.6. Send payment documents to Party A monthly and pay debts according to the provisions of Article 4 of this Contract.

6.4.7. Party B is responsible for preserving and returning pallets and pallet covers to Party A's Supplier (pallets and pallet covers are items used to contain cans and can covers during transportation from Party A's Supplier specializing in manufacturing and supplying cans and can covers to Party B to produce Party A's branded Beer products). In case Party B loses pallets and pallet covers, Party B is responsible for paying

compensation corresponding to the value of the number of pallets and pallet covers that Party B loses by transferring money to Party A's account at the prescribed price unit.

6.4.8. Submit periodic reports (before the 5th of the following month):

- Report on importing bottles and crates; importing and exporting circulating pallets (including importing and exporting to Trading companies and between manufacturing companies);
- Report confirming the quantity of finished products in stock that Party A sends to Party B's warehouse

6.4.9. Do not use the technological process of producing products under the brand name of Party A to produce any other brand of beer.

6.4.10. Handle substandard products according to Party A's instructions.

6.4.11. Party B is responsible for updating the import and export inventory data of main raw materials specified in the Appendix of the Contract, processing products, and finished products daily on Party A's SAP - ERP system (system login account provided by Party A).

6.4.12. Perform the responsibilities specified in this Contract and its appendices.

Article 7: Violations and penalties

7.1. Trademark infringement:

Any use of Party A's intellectual property rights protected by law other than the production of products specified in Article 2 of this Contract shall be considered a violation (except in cases where Party A has prior written consent). If Party B violates, it shall be subject to the following penalties:

- 1st violation: Suspend production until there is written approval to resume production from Party A.
- 2nd Violation: Termination of Contract.

7.2. Violations of quality, quantity, process and regulations:

7.2.1. Quality violations

a. Arbitrarily changing the transferred technology process. If violating, Party B will be fined at the following levels:

- The first violation: Fine million VND, suspend production until Party B terminates/cancels this violation.
- The second violation: Termination of Contract.

b. Using raw materials and additives that do not meet the technical standards specified by Party A. If Party B violates, it will be fined at the following levels:

- The first violation: fine of million VND, suspend production until Party B terminates/cancels this violation.
- The second Violation: Termination of Contract.

c. Causing loss or distortion of the quantity of materials under Party A's exclusive trademark but failing to explain the reason. The fine ranges from..... to.... million VND/1 time of making a record.

d. Violations in frequency of inspection, analysis, sampling, and sample sending are warned more than twice, the third time will be issued a record. Fine million VND/record.

e. Violations of data reporting regulations, being warned more than 2 times, the 3rd time will be issued a record. Fine million VND/1 record.

f. If defective products are released to the market and affect the image and brand of Party A such as: beer with foreign objects, underfilled beer, beer mixed with water, Party B will be fined at the following levels:

- First violation: Fine of million VND.

- Second violation: Fine of million VND, production suspension until there is written approval to resume production from Party A.

- Third violation: Termination of Contract.

g. If customers complain about beer being bottled incorrectly, corked incorrectly, or cloudy, Party B will be fined at the following levels:

- The first violation: Fine of million VND.

- The second violation: Fine of million VND, production suspension until there is written approval to resume production from Party A.

- The third violation: Termination of Contract.

h. If the product stored in the safe is not of the correct type or the crates is dirty, ugly, broken, or cracked as specified in the technical requirements and is sent to the warehouse of the Trading Company or the Distributor/Level 1 Agent of the Trading Company imports the product directly from the warehouse of Party B, affecting the image and brand of Party A, Party B will be fined 10 million VND/time of making a record.

i. Violation of physical and chemical indicators

- If within 01 month there are 03 consecutive batches with unsatisfactory targets, Party A will prepare a record as a basis for Party A to penalize Party B. Penalty level: million VND/time.

j. Violation of microbiological standards

- Finished beer: If not qualified, Party A will create a record as a basis for Party A to punish Party B. Penalty level: million VND/time.

k. Violation of analytical capacity

- If Party B does not meet the criteria when participating in Ring test in the Habeco system at the prescribed frequency, Party B will be fined million VND / 1 unmet target.

7.2.2. Violation of quantity:

- a. Failure to deliver 100% of the quantity of Party A's Beer branded products produced in batches to Party A but keeping them for sale or use for other purposes. Penalty: Fine of times the value of the retained portion at the prescribed price. A third violation will terminate this Contract.

b. Incorrect data between the actual quantity of Beer products produced by Party A and the quantity of products on the books without explaining the reason. Fine of million VND/1 time of making a record.

c. Delivering incorrect quantity or type in the Transportation Plan issued and operated by Party A without explaining the reason or reporting. Penalty:% of the total value of incorrectly delivered goods. At the same time, Party B must be responsible for compensating for all costs incurred to remedy the consequences of delivering goods not in accordance with Party A's plan and operation.

7.2.3. Violation of procedures and regulations:

Failure to comply with the procedures and regulations issued by Party A or failure to properly implement the requirements as notified by Party A, Party A will make a record. Penalty: million VND/1 record.

7.3. Violation of the obligation to use technological processes outside the scope of beer production as agreed in this Contract:

Use Party A's beer production technology or beer yeast transferred by Party A to produce beer with other brands. If violated, Party B will be fined at the following levels:

- The first violation: Fine million VND, suspend production until Party B stops the violation.
- The second violation: Termination of Contract.

7.4. Violations in updating data on SAP software:

In case Party B distorts the import and export inventory data of main raw materials, processing products, finished products between reality and data on SAP software without explaining the reason or the explanation is not accepted by Party A, Party B must pay a fine of million VND/time.

7.5. Penalty procedure:

- Make a record with Party B about the violation. according to the relevant ISO document provisions of Party A.
- Party A shall send a notice to Party B stating the penalty level and implementation period.

7.6. Payment of fines:

Payment of fines is included in the debt and offset according to point 4.2.3, clause 4.2, Article 4 of this Contract.

Article 8: General terms:

8.1. The two Parties commit to strictly and fully implement the terms stated in the Contract. If any problems arise during the implementation of the Contract, the two Parties must promptly notify each other and proactively discuss and resolve them on the basis of negotiation to ensure mutual benefits. Any changes or additions must be agreed upon by the two Parties in writing or in an Appendix to the Contract.

8.2. In case of a dispute that cannot be resolved by negotiation between the two Parties, each Party has the right to file a lawsuit with a competent Court for settlement in accordance with the provisions of law.

8.3. Party A has the right to unilaterally suspend and/or terminate the Contract if Party B fails to properly perform or violates the terms(s) of the Contract and/or the Appendices of this Contract, leading to the possibility of causing damage to the brand reputation or product quality of Party A.

8.4. When liquidating the Contract, the two Parties must compare and pay debts related to this Contract as a basis for signing the Contract Liquidation Minutes.

8.5. The Parties warrant that each Party has full legal capacity to enter into and perform the Contract with the other Party. The Parties have obtained and completed all internal legal approval procedures in accordance with the Law and internal regulations of each Party and will maintain the full validity of these approval procedures to enter into and perform this Contract.

Article 9: Validity and number of copies of the Contract

9.1. The contract is effective from .../...../..... to/.../.....

9.2. The Appendices are an integral part of this Contract:

- Appendix 01: Regarding technical and quality issues.
- Appendix 02: Regarding raw materials.
- Appendix 03: Regarding delivery of products, bottles, crates, and raw materials.
- Appendix 04: Regarding the Technical Supervision Engineer for the production of Party A's products.

Other Appendices (if any)

9.3. Party A's internal documents stated in this Contract include:

- Documents on quality standards in the document system ISO;
- QC.05/KT , HD.01/QM, HD.05/QM, HD.04/QM, QC.26/KT.

The Parties agree that the above internal documents are an integral part of this Contract and are valid as a basis for reference and implementation.

9.4. This contract is made in 04 copies, each Party keeps 02 copies. The copies have equal value./.

PARTY A

PARTY B