



HẢI PHÁT
VƯỜN TÂM CAO MỚI



**REGULATION ON THE OPERATION OF
THE SUPERVISORY BOARD
HAI PHAT INVESTMENT JOINT STOCK COMPANY**

(Issued together with Resolution No. 02/2023/NQ-ĐHĐCĐ dated 21 October 2023 of the General Meeting of Shareholders of Hai Phat Investment Joint Stock Company)



TABLE OF CONTENTS

CHAPTER I. GENERAL PROVISIONS	3
Article 1. Scope of Application and Regulated Subjects	3
Article 2. Principles of Operation of the Supervisory Board	3
Article 3. Rights and Obligations of Members of the Supervisory Board	3
Article 4. Term of Office and Number of Members of the Supervisory Board	4
Article 5. Standards and Conditions for Members of the Supervisory Board.....	4
Article 6. Head of the Supervisory Board	4
Article 7. Nomination and Candidacy for Members of the Supervisory Board.....	5
Article 8. Election, Dismissal, and Removal of Members of the Supervisory Board.....	5
Article 9. Cases of Dismissal and Removal of Members of the Supervisory Board	6
Article 10. Notification on the Election, Dismissal, and Removal of Members of the Supervisory Board	6
CHAPTER III. THE SUPERVISORY BOARD	7
Article 11. Rights, Duties, and Responsibilities of the Supervisory Board	7
Article 12. Right to Access Information of the Supervisory Board	9
Article 13. Responsibilities of the Supervisory Board in Convening an Extraordinary General Meeting of Shareholders	9
CHAPTER IV. MEETINGS OF THE SUPERVISORY BOARD	10
Article 14. Meetings of the Supervisory Board.....	10
Article 15. Minutes of Meetings of the Supervisory Board	10
CHAPTER V. REPORTS AND DISCLOSURE OF RELATED INTERESTS.....	10
Article 16. Submission of Annual Reports.....	10
Article 17. Remuneration, Salaries and Other Benefits	11
Article 18. Disclosure of Related Interests.....	11
CHAPTER VI. RELATIONSHIP OF THE SUPERVISORY BOARD	12
Article 19. Relationship among Members of the Supervisory Board	12
Article 20. Relationship with the Executive Management.....	12
Article 21. Relationship with the Board of Directors.....	12
CHAPTER VII. IMPLEMENTATION PROVISIONS	12
Article 22. Effectiveness.....	12

CHAPTER I. GENERAL PROVISIONS

Article 1. Scope of Application and Regulated Subjects

1. **Scope of Application:** The Regulation on the Operation of the Supervisory Board stipulates the organizational structure, personnel, qualifications, conditions, rights, and obligations of the Supervisory Board and its members in accordance with the Law on Enterprises, the Company's Charter, and other relevant regulations.
2. **Regulated Subjects:** The Regulation on the Operation of the Supervisory Board applies to the Supervisory Board and its members.

Article 2. Principles of Operation of the Supervisory Board

The Supervisory Board shall operate on a collective basis. Each member of the Supervisory Board shall bear individual responsibility for his or her assigned duties and shall be jointly responsible before the General Meeting of Shareholders and before the law for the work and decisions of the Supervisory Board.

CHAPTER II. MEMBERS OF THE SUPERVISORY BOARD

Article 3. Rights and Obligations of Members of the Supervisory Board

1. Comply fully with the law, the Company's Charter, resolutions of the General Meeting of Shareholders, and professional ethics in performing their assigned rights and duties.
2. Perform their assigned rights and duties honestly, prudently, and in the best manner to ensure the maximum lawful interests of the Company.
3. Remain loyal to the interests of the Company and its shareholders; not abuse their position or authority, nor use information, know-how, business opportunities, or other assets of the Company for personal gain or for the benefit of any other organization or individual.
4. Fulfill other obligations in accordance with the Law on Enterprises and the Company's Charter.
5. If a violation of Clauses 1, 2, 3, or 4 of this Article causes damage to the Company or another person, the Supervisory Board member shall bear individual or joint liability for compensation. Any income or other benefits obtained by the Supervisory Board member through such violation must be returned to the Company.
6. If any violation committed by a Supervisory Board member in exercising their rights and duties is detected, a written notification must be sent to the Supervisory Board, requesting the violating member to cease the violation and remedy its consequences.

Article 4. Term of Office and Number of Members of the Supervisory Board

1. The Supervisory Board shall consist of between 03 and 05 members. The term of office of each Supervisory Board member shall not exceed 05 years and members may be re-elected for an unlimited number of terms.
2. Supervisory Board members are not required to be shareholders of the Company.
3. The Supervisory Board must have more than half of its members residing in Vietnam.
4. In the event that all Supervisory Board members reach the end of their term while the new-term members have not yet been elected, the outgoing members shall continue to exercise their rights and duties until the newly elected Supervisory Board members assume their positions.

Article 5. Standards and Conditions for Members of the Supervisory Board

1. Supervisory Board members must meet the following criteria and conditions:
 - a) Not fall within the prohibited persons specified in Clause 2, Article 17 of the Law on Enterprises;
 - b) Have been trained in one of the following disciplines: economics, finance, accounting, auditing, law, business administration, or other specialties relevant to the Company's business activities;
 - c) Not be a family member of any member of the Board of Directors, the General Director, or other managers of the Company;
 - d) Not be a manager of the Company, and not necessarily a shareholder or employee of the Company, unless otherwise provided in the Company's Charter;
 - e) Not work in the accounting or finance department of the Company;
 - f) Not be a member or employee of the auditing firm approved to audit the Company's financial statements within the preceding 03 consecutive years;
 - g) Meet other standards and conditions as prescribed by relevant laws and the Company's Charter.
2. In addition to the criteria and conditions set out in Clause 1 of this Article, a member of the Supervisory Board must not be a family member of any of the Company's enterprise managers.

Article 6. Head of the Supervisory Board

1. The Head of the Supervisory Board must hold a university degree or higher in one of the following fields: economics, finance, accounting, auditing, law, business administration, or other disciplines related to the Company's business activities.
2. The Head of the Supervisory Board shall be elected by the Supervisory Board from among its members; election, dismissal, and removal shall be determined by majority vote.
3. The rights and duties of the Head of the Supervisory Board shall be prescribed in the Company's Charter.

Article 7. Nomination and Candidacy for Members of the Supervisory Board

1. Shareholders or groups of shareholders holding at least 10% of the total number of ordinary shares shall have the right to nominate candidates to the Supervisory Board. Unless otherwise provided in the Company's Charter, the nomination process shall be as follows:
 - a) Ordinary shareholders forming a group to nominate candidates to the Supervisory Board must notify the shareholders attending the General Meeting of Shareholders of such grouping before the opening of the meeting;
 - b) Based on the number of members of the Supervisory Board, shareholders or groups of shareholders referred to in this clause shall have the right to nominate one or more persons, as determined by the General Meeting of Shareholders, to stand as candidates for the Supervisory Board. If the number of candidates nominated by such shareholders or groups of shareholders is lower than the number of candidates they are entitled to nominate as decided by the General Meeting of Shareholders, the remaining candidates shall be nominated by the Board of Directors, the Supervisory Board, or other shareholders.
2. If the total number of candidates for the Supervisory Board, through nomination and self-nomination, remains insufficient as required under Clause 5 Article 115 of the Law on Enterprises, the incumbent Supervisory Board shall introduce additional candidates or organize the nomination process in accordance with the Company's Charter, the internal corporate governance regulations, and the Regulations on the Operation of the Supervisory Board. The introduction of additional candidates by the incumbent Supervisory Board must be clearly disclosed prior to the General Meeting of Shareholders voting to elect members of the Supervisory Board, as prescribed by law.

Article 8. Election, Dismissal, and Removal of Members of the Supervisory Board

1. The election, dismissal, and removal of members of the Supervisory Board fall within the authority of the General Meeting of Shareholders.
2. Voting for the election of members of the Supervisory Board shall be conducted by the cumulative voting method, whereby each shareholder shall have a total number of votes equal to the total number of shares he/she owns multiplied by the number of members to be elected to the Supervisory Board. A shareholder may cast all or part of his/her total votes for one or several candidates.

The candidates elected to the Supervisory Board shall be those receiving the highest number of votes in descending order, starting with the candidate receiving the most votes, until the number of members specified in the Company's Charter is filled.

In the event that two or more candidates obtain an equal number of votes for the final seat on the Supervisory Board, a re-election shall be conducted among such candidates, or selection shall be made based on the criteria provided in the election regulations or the Company's Charter

Article 9. Cases of Dismissal and Removal of Members of the Supervisory Board

1. The General Meeting of Shareholders shall dismiss a member of the Supervisory Board in the following cases:
 - a) The member no longer meets the standards and conditions required for a Supervisory Board member as prescribed in Article 169 of the Law on Enterprises;
 - b) The member submits a written resignation and such resignation is accepted;
 - c) Other cases as provided in the Company's Charter.
2. The General Meeting of Shareholders shall remove a member of the Supervisory Board in the following cases:
 - a) Failure to perform the assigned duties and responsibilities;
 - b) Failure to exercise his/her rights and obligations for six (06) consecutive months, except in cases of force majeure;
 - c) Repeated or serious violations of the obligations of a Supervisory Board member as prescribed by the Law on Enterprises and the Company's Charter;
 - d) Other cases pursuant to resolutions of the General Meeting of Shareholders.

Article 10. Notification on the Election, Dismissal, and Removal of Members of the Supervisory Board

1. In cases where candidates for the Supervisory Board have been identified, the Company must disclose information relating to such candidates at least 10 days prior to the opening date of the General Meeting of Shareholders on the Company's website, so that shareholders may review the information before voting. Candidates for the Supervisory Board must provide a written commitment attesting to the truthfulness and accuracy of all disclosed personal information, and must undertake to perform their duties honestly, prudently, and in the best interests of the Company if elected.

The information to be disclosed regarding candidates for the Supervisory Board includes:

- a) Full name; date of birth;
- b) Professional qualifications;
- c) Employment and professional background;
- d) Other managerial positions (if any);
- e) Related interests in the Company and its related parties;
- f) Other information (if any) as required by the Company's Charter;
- g) Information on companies in which the candidate currently holds managerial positions and the candidate's related interests in the Company (if any). The Company is responsible for disclosing this information.

2. The notification of results of the election, dismissal, or removal of members of the Supervisory Board shall be made in accordance with applicable regulations on information disclosure.

CHAPTER III. THE SUPERVISORY BOARD

Article 11. Rights, Duties, and Responsibilities of the Supervisory Board

1. The Supervisory Board shall supervise the Board of Directors and the General Director in the management and administration of the Company.
2. Inspect the legality, rationality, truthfulness, and prudence in the management and operation of business activities; and the systematic, consistent, and appropriate nature of the Company's accounting, statistical work, and financial reporting.
3. Appraise the completeness, legality, and accuracy of the Company's annual and semi-annual business reports and financial statements, the Board of Directors' management assessment report, and present the appraisal report at the Annual General Meeting of Shareholders. Review contracts and transactions with related persons under the approval authority of the Board of Directors or the General Meeting of Shareholders, and provide recommendations on contracts and transactions that require such approval.
4. Review, inspect, and assess the effectiveness and efficiency of the Company's internal control, internal audit, risk management, and early-warning systems.
5. Examine the Company's accounting records, accounting books, and other documents, as well as the management and operational activities of the Company when deemed necessary, upon a resolution of the General Meeting of Shareholders, or at the request of shareholders or groups of shareholders as prescribed in Clause 2, Article 115 of the Law on Enterprises.
6. Upon request of shareholders or groups of shareholders as prescribed in Clause 2, Article 115 of the Law on Enterprises, the Supervisory Board shall conduct an inspection within 07 working days from the date the request is received. Within 15 days from the completion of the inspection, the Supervisory Board must report its findings to the Board of Directors and to the shareholder(s) who made the request. Such inspection shall not obstruct the normal operations of the Board of Directors nor disrupt the Company's business activities.
7. Recommend to the Board of Directors or the General Meeting of Shareholders measures to amend, supplement, and improve the management, supervision, and business operations structure of the Company.
8. Upon detecting violations by a member of the Board of Directors or the General Director of the provisions under Article 165 of the Law on Enterprises, promptly notify the Board of Directors in writing, request the violator to cease the violation, and propose remedial measures.
9. Attend and participate in discussions at meetings of the General Meeting of Shareholders, the Board of Directors, and other Company meetings.

10. Utilize independent consultancy services and the Company's internal audit function to perform assigned duties.
11. The Supervisory Board may seek comments from the Board of Directors before submitting reports, conclusions, and recommendations to the General Meeting of Shareholders.
12. Inspect specific issues relating to the management and administration of the Company upon request of shareholders.
13. Request the Board of Directors to convene an extraordinary General Meeting of Shareholders.
14. Convene the General Meeting of Shareholders within 30 days in place of the Board of Directors if the Board of Directors fails to do so in accordance with Clause 3, Article 140 of the Law on Enterprises.
15. Request the Chairperson of the Board of Directors to convene a meeting of the Board of Directors.
16. Review, extract, and copy part or all of the declarations of related persons and related interests as prescribed in Clauses 1 and 2, Article 164 of the Law on Enterprises.
17. Propose and recommend that the General Meeting of Shareholders approve the list of approved auditing firms to audit the Company's financial statements; and select an approved auditing firm to review the Company's activities when deemed necessary.
18. Be accountable to shareholders for their supervisory activities.
19. Monitor the Company's financial situation and the compliance with laws by members of the Board of Directors, the General Director, and other managers.
20. Ensure coordination with the Board of Directors, the General Director, and shareholders in performing supervisory duties.
21. Upon detecting violations of laws or the Company's Charter by members of the Board of Directors, the General Director, or other executive managers, the Supervisory Board must notify the Board of Directors in writing within 48 hours, request the violator to cease the violation, and propose corrective measures.
22. Develop the Rules of Operation of the Supervisory Board and submit them to the General Meeting of Shareholders for approval.
23. Witness the vote counting and prepare the vote-counting minutes when requested by the Board of Directors in cases where shareholders' opinions are collected in writing for passing resolutions of the General Meeting of Shareholders.
24. The Head of the Supervisory Board shall preside over the process for the General Meeting of Shareholders to elect the meeting chairperson in cases where the Chairperson of the Board of Directors is absent or temporarily unable to perform the role, and the remaining Board members cannot elect a chairperson. In such case, the person receiving the highest number of votes shall act as the chairperson.
25. Perform other rights and duties in accordance with the Law on Enterprises, the Company Charter, and resolutions of the General Meeting of Shareholders.

Article 12. Right to Access Information of the Supervisory Board

1. Documents and information must be sent to members of the Supervisory Board at the same time and in the same manner as to members of the Board of Directors, including:
 - a) Notices of meetings, written ballots for collecting opinions of members of the Board of Directors, and accompanying documents;
 - b) Resolutions, decisions, and minutes of meetings of the General Meeting of Shareholders and the Board of Directors;
 - c) Reports of the General Director submitted to the Board of Directors or other documents issued by the Company.
2. Members of the Supervisory Board have the right to access records and documents of the Company kept at its head office, branches, and other locations; and have the right to visit workplaces of the Company's managers and employees during working hours.
3. The Board of Directors, its members, the General Director, and other managers must fully, accurately, and promptly provide information and documents regarding the management, administration, and business operations of the Company at the request of members of the Supervisory Board or the Supervisory Board.

Article 13. Responsibilities of the Supervisory Board in Convening an Extraordinary General Meeting of Shareholders

1. The Supervisory Board shall be responsible for convening a General Meeting of Shareholders in replacement of the Board of Directors within thirty (30) days in the event that the Board of Directors fails to convene a General Meeting of Shareholders in the following cases:
 - a) The remaining number of members of the Board of Directors or the Supervisory Board is less than the minimum number prescribed by law;
 - b) Upon request of a shareholder or a group of shareholders as prescribed in Clause 2, Article 115 of the Law on Enterprises;
 - c) Upon a request to convene an extraordinary General Meeting of Shareholders made by the Supervisory Board but not carried out by the Board of Directors, unless otherwise provided in the Company's Charter.
2. In the event that the Supervisory Board fails to convene the General Meeting of Shareholders in accordance with regulations, the Supervisory Board shall compensate the Company for any damages arising therefrom.
3. The expenses for convening and organizing the General Meeting of Shareholders as prescribed in Clause 1 of this Article shall be reimbursed by the Company.

CHAPTER IV. MEETINGS OF THE SUPERVISORY BOARD

Article 14. Meetings of the Supervisory Board

1. The Supervisory Board shall hold at least two (02) meetings per year. A meeting shall be conducted with the attendance of at least two-thirds (2/3) of the total number of Supervisory Board members.
2. The Supervisory Board has the right to request members of the Board of Directors, the General Director, and representatives of approved audit firms to attend meetings and provide explanations on matters that require clarification.

Article 15. Minutes of Meetings of the Supervisory Board

Minutes of meetings of the Supervisory Board shall be prepared in a detailed and clear manner. The minute-taker and all Supervisory Board members attending the meeting must sign the minutes. All minutes of Supervisory Board meetings shall be properly kept for the purpose of determining the responsibilities of each Supervisory Board member.

CHAPTER V. REPORTS AND DISCLOSURE OF RELATED INTERESTS

Article 16. Submission of Annual Reports

The reports of the Supervisory Board to be presented at the Annual General Meeting of Shareholders shall include the following contents:

1. A report on the Company's business performance and on the performance of the Board of Directors and the General Director, to be submitted to the General Meeting of Shareholders for approval at the Annual General Meeting of Shareholders.
2. A self-assessment report on the performance of the Supervisory Board and each Supervisory Board member.
3. Information on remuneration, operating expenses and other benefits of the Supervisory Board and each Supervisory Board member.
4. A summary of meetings of the Supervisory Board and its conclusions and recommendations; and the results of supervision over the Company's operations and financial condition.
5. An assessment report on transactions between the Company, its subsidiaries, and other companies in which the Company holds more than fifty percent (50%) of the charter capital, with members of the Board of Directors, the General Director and their related persons; and transactions between the Company and companies in which members of the Board of Directors are founding shareholders or managers within the three (03) years preceding the transaction.
6. The results of supervision over the Board of Directors, the General Director and other executive officers of the Company.
7. The results of the assessment of coordination and cooperation between the Supervisory Board and the Board of Directors, the General Director and shareholders.

8. Proposals and recommendations to the General Meeting of Shareholders for approval of the list of auditing firms approved to audit the Company's financial statements; and auditing firms approved to conduct inspections of the Company's operations when deemed necessary.

Article 17. Remuneration, Salaries and Other Benefits

Unless otherwise provided in the Company's Charter, the salaries, remuneration, bonuses and other benefits of members of the Supervisory Board shall be implemented in accordance with the following provisions:

1. Members of the Supervisory Board shall be entitled to salaries, remuneration, bonuses and other benefits as decided by the General Meeting of Shareholders. The General Meeting of Shareholders shall determine the total amount of salaries, remuneration, bonuses, other benefits and the annual operating budget of the Supervisory Board.
2. Members of the Supervisory Board shall be reimbursed for reasonable expenses incurred in connection with meals, accommodation, travel and the use of independent consulting services. The total amount of such remuneration and expenses shall not exceed the total annual operating budget of the Supervisory Board approved by the General Meeting of Shareholders, unless otherwise decided by the General Meeting of Shareholders.
3. Salaries and operating expenses of the Supervisory Board shall be recorded as business expenses of the Company in accordance with the regulations on corporate income tax and other relevant laws, and shall be presented as a separate item in the Company's annual financial statements.

Article 18. Disclosure of Related Interests

1. Members of the Supervisory Board of the Company shall declare to the Company their related interests, including:
 - a) The name, enterprise identification number, head office address, business lines and sectors of any enterprise in which they act as an owner or hold capital contributions or shares; together with the ownership ratio and the time of ownership of such capital contributions or shares;
 - b) The name, enterprise identification number, head office address, business lines and sectors of any enterprise in which their related persons act as owners, jointly own or individually own more than ten percent (10%) of the charter capital.
2. The declaration as prescribed in Clause 1 of this Article shall be made within seven (07) working days from the date on which the related interest arises; any amendment or supplementation thereto shall be notified to the Company within seven (07) working days from the date such amendment or supplementation occurs.
3. Members of the Supervisory Board and their related persons may only use information obtained by virtue of their positions for the benefit of the Company.
4. Members of the Supervisory Board shall notify in writing the Board of Directors and

the Supervisory Board of any transactions between the Company, its subsidiaries, or other companies in which the Company holds more than fifty percent (50%) of the charter capital, and the Supervisory Board member or his/her related persons, in accordance with applicable laws. For transactions approved by the General Meeting of Shareholders or the Board of Directors, the Company shall disclose information on such resolutions in accordance with the laws on securities and information disclosure.

5. Members of the Supervisory Board and their related persons shall not use or disclose internal information to other persons for the purpose of conducting related transactions.

CHAPTER VI. RELATIONSHIP OF THE SUPERVISORY BOARD

Article 19. Relationship among Members of the Supervisory Board

Members of the Supervisory Board shall act independently and shall not be subordinate to one another; however, they shall coordinate and cooperate in the performance of their common duties in order to ensure the proper fulfillment of the responsibilities, rights and obligations of the Supervisory Board in accordance with applicable laws and the Company's Charter.

The Head of the Supervisory Board shall coordinate the overall activities of the Supervisory Board but shall not have the authority to dominate or direct other members of the Supervisory Board.

Article 20. Relationship with the Executive Management

The Supervisory Board maintains an independent relationship with the Company's Executive Management and serves as the body responsible for supervising the activities of the Executive Management.

Article 21. Relationship with the Board of Directors

The Supervisory Board maintains an independent relationship with the Company's Board of Directors and serves as the body responsible for supervising the activities of the Board of Directors.

CHAPTER VII. IMPLEMENTATION PROVISIONS

Article 22. Effectiveness

The Regulations on the Operation of the Supervisory Board of Hai Phat Investment Joint Stock Company consist of 07 Chapters and 22 Articles and shall take effect from October 21, 2023.

“This English translation is provided solely to facilitate the understanding of foreign investors. In the event of any discrepancy or inconsistency between this English translation and the Vietnamese original of the Regulation on the Operation of the Supervisory Board of Hai Phat Investment Joint Stock Company, the Vietnamese version shall prevail and be deemed the official and legally binding text”.

THE HEAD OF THE SUPERVISORY BOARD

(signed)

BUI DUC TUE



