

REGULATIONS ON OPERATION OF THE BOARD OF SUPERVISION

**HOANG ANH GIA LAI JOINT STOCK
COMPANY**



Gia Lai, 02nd December 2021

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REGULATIONS ON OPERATION OF THE BOARD OF SUPERVISION HOANG ANH GIA LAI JOINT STOCK COMPANY

(Issued together with Resolution No. 21/ BKS - HAGL on 2021 of the Company Board of Supervision on the basis of Resolution No. 21/ NQĐHĐCĐ of the Company General meeting of shareholders on passing the Regulations on Operation of the Board of Supervision of Hoang Anh Gia Lai Joint Stock Company)

CHAPTER I. GENERAL PROVISION

Article 1. Legal Basis

The Regulations on Operation of the Board of Supervision of Hoang Anh Gia Lai Joint Stock Company are built on the basis of the following legal documents:

- Enterprise Law No 59/2020/QH14 on 17 June 2020;
- Securities Law No. 54/2019 dated 26 November 2019;
- Decree No. 155/2020/NĐ-CP dated 31/12/2020 detailing the implementation of a number of articles of Securities law;
- Circular No. 116/2020/TT-BTC dated 31/12/2020 by the Ministry of Finance guiding a number of articles of Decree No. 155/2020/NĐ-CP dated 31/12/2020 detailing the implementation of a number of articles of Securities law;
- Charter of Hoang Anh Gia Lai Joint Stock Company;
- Resolution of the General Meeting of Shareholders on November 2021.

Article 2. Governing scope and applicable subjects

1. Governing scope: Regulations on Operation of the Board of Supervision stipulates the personnel organization structure, operational principles, rights, and obligations of the Board of Supervision and members of the Board of Supervision to ensure conformity with the Law on Enterprises, the Company Charter, and other relevant laws and regulations.

2. Subjects of application: This Regulation is applicable to the Board of Supervision and all members of the Board of Supervision.

Article 3. Operational principles of the Board of Supervision

The Board of Supervision shall work on the principle of collective responsibility. Each member of the BOD shall be responsible for the performance of his/her own tasks and jointly responsible to the General Meeting of Shareholders and to the law for the decisions of the Board of Supervision.

CHAPTER II. MEMBERS OF THE BOARD OF SUPERVISION (SUPERVISOR)

Article 4. Rights, obligations and responsibilities of members of the Board of Supervision

1. Entitled to access information and documents related to the Company's activities. Members of the Board of Directors, General Director and other managers are obliged to provide full and accurate information as requested by members of the Board of Supervision.
2. Comply with regulations of law, the Company Charter, resolutions of the GMS and professional ethics in performance of their duties.
3. Perform their rights and obligations in an honest and prudent manner for the best and lawful interests of the Company.

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4. Loyal to the interests of the company and shareholders; no abuse of their position and use of information, know-how, business opportunities and other assets of the company for personal gain or for interests of other organizations and individuals.
5. In case of violating the provisions of Clauses 1, 2, 3 and 4 of this article and causing detriment to the Company or other people, the Supervisor must be personally or jointly liable for compensating for such detriment. Income and other benefits obtained by the Supervisor from the violation must be returned to the Company.
6. On discovery of a BOS member's breach of rights and obligations, a written notice must be provided to the BOS, demanding the offender terminate such breach and rectify the consequences.
7. Other rights and obligation as specified in Enterprise law, Company charter and this Regulation.

Article 5. Office term and quantity of BOS members

1. The number of members of the BOS is at least three (03) people and at most five (05) people. The term of the BOS members shall not exceed five (05) years and may be re-elected for an unlimited term..
2. Members of the Supervisory Board are not necessarily shareholders of the Company
3. More than half of the members of the Supervisory Board must permanently reside in Vietnam
4. In case all members of the Supervisory Board have the same ending date of term of office while members for the new term of office are yet to be elected, the existing members shall keep exercising their rights and obligations until new members are elected and take over their tasks.

Article 6. Criteria for BOS members

BOS member must satisfy the following criteria and conditions:

1. Not belonging to the subject category as specified in clause 2 Article 17 of the Enterprise law;
2. Being trained in one of the majors in economics, finance, accounting, auditing, law, business administration or a major suitable to the business activities of the enterprise;
3. Not being a family member of a member of the BOD, General Director and other managers;
4. Not being a manager of the Company; not necessarily being shareholders or employees of the Company.
5. Supervisor does not fall into these categories:
6. Part of the Company accounting or financial department
7. Member or employee of an Independent auditing company performing audit of the Company's financial statements for three (03) previous consecutive years

Article 7. Chief of the Board of Supervision

1. The Chief of Board of Supervision must have a bachelor's degree or higher in economics, finance, accounting, audit, law, business administration or any of other majors that is relevant to the Company's business.
2. Rights and obligations of the Chief of Board of Supervision is specified in the Company's Charter.

3. The Chief of Board of Supervision shall be elected by the Board of Supervision among its members; the election, dismissal and removal of the Chief of Board of Supervision shall be conducted under the majority voting principle.

Article 8. Nomination and candidacy of members of the Board of Supervision

1. A shareholder or group of shareholders, who hold at least 10% of total ordinary, shall be entitled to nominate candidates to the Board of Directors and the Board of supervision, which is conducted as follows:
 - a. The ordinary shareholders forming groups to nominate their representatives for the BOD must notify others of the group meeting before opening the GMS;
 - b. According to the number of members of BOD or groups of shareholders specified in this Clause may nominate one or some persons as decided by the GMS as candidates to the BOD..

In the event that number of candidates nominated by shareholders or groups of shareholders is lower than number they are entitled to nominate as decided by the General Shareholders' Meeting, the remaining candidates shall be nominated by the Board of Directors and other shareholders.

2. In case the number of candidates for the BOD through nomination and candidacy is still not enough as required, the incumbent BOD may nominate more candidate or arrange nomination as specified in the Company Charter, the Internal Regulations on Corporate Governance and the Regulations on Operation of the Board BOD. The nomination of more candidates by the incumbent BOD must be clearly announced before the GMS votes to elect members of the BOD as per law..

Article 9. Method for election, dismissal and removal of members of the Board of Supervision

1. Election, dismissal and removal of members of the Board of Supervision fall under the authority of General meeting of Shareholders.
2. Voting to elect BOS members must be implemented by the method of aggregation voting, whereby each shareholder shall have their total number of votes corresponding to the total number of shares they own multiplied by the number of members to be elected to the BOS, and each shareholder is entitled to aggregation of all or part of their total votes to one or more candidates. Winning candidates for the BOS shall be determined on the basis of a descending vote count, starting with the candidate with the highest number of votes until the number of members required by the company charter has been elected. Where there are 02 or more candidates who obtain the same number of votes for being the last BOS member, such members shall be re-elected among the number of candidates gaining equal number of votes or selected in accordance with the criteria in the regulations on election or the Company charter.

Article 10. Cases of dismissal, removal of members of the Board of Supervision

1. GMS dismisses BOS members in the following cases:
 - a. No longer meeting the criteria and conditions to be a BOS member as specified in article 169 of the Enterprise law, Company charter and this Regulation;
 - b. Tendering the resignation which is approved..
 - c. Other cases as specified by the Company Charter.
2. GMS removes BOS members in the following cases:

- a. Failure to fulfill the assigned tasks and duties;
- b. Failure to perform his/her rights and obligations for six (6) consecutive months, except for force majeure events;
- c. repeated violations or serious violations against obligations of members of the Board of Supervision prescribed by the Law on Enterprises and the Company charter.;
- d. Other cases as decided by the General meeting of Shareholders.

Article 11. Notification of election, dismissal, removal of BOD members

1. In case candidates for the BOD have been identified, the Company must disclose information related to the candidates at least 10 days before the opening date of GMS on the Company's website for shareholders to find out about these candidates before voting. Candidates for the BOD must make a written commitment to the integrity and accuracy of the personal information disclosed and must commit to performing their duties honestly, carefully and for the best interests of the Company if elected as a member of the BOD. Information regarding the BOD candidate to be published include
 - a. Full name, date, month and year of birth;
 - b. Qualification;
 - c. Working history;
 - d. Other management titles (including titles in the BOD of other companies);
 - e. Interests related to the Company and its related parties;
 - f. Other information (if any) as specified in the Company charter.
2. The company is obliged to disclose information about the companies in which the candidate is holding the BOD member position, other management positions and interests related to the BOD candidate's company (if any).
3. Announcement of election, dismissal and removal results of BOD members shall comply with regulations guiding the information disclosure

CHAPTER III. THE BOARD OF SUPERVISION

Article 12. Rights and obligations of the Board of supervision

1. Supervise the BOD, the General Director in managing and operating the Company.
2. Inspect the reasonability, legitimacy, truthfulness and prudence in business operation and management; the systematization, uniformity and appropriateness of accounting, statistics and preparation of financial statements.
3. Validate the adequacy, legitimacy and truthfulness of the reports on business situation, annual and 6-month financial statements of the Company, the reports on management and administration of the BOD and submit the reports of validation at the annual GMS. Review contracts and transactions with related persons within the approval authority of the BOD or the GMS and offer recommendations concerning these contracts and transactions that needs approval from the BOD or the GMS.
4. Review, inspect, evaluate the effectiveness of internal control, audit, risk management and early warning of the Company.

5. Examine accounting books, records and other documents of the Company, examine the management and operation of the Company where necessary or under the resolution of the GMS or at the request of the shareholder or group of shareholders as prescribed in Clause 2 Article 115 of the Law on Enterprises. Review, inspect, evaluate the effectiveness of internal control, audit, risk management and early warning of the Company.
6. Upon receipt of the request from the shareholder or group of shareholders specified in Clause 2 Article 115 of the Law on Enterprises, the Board of Supervision shall carry out an inspection within 07 working days from the date of receipt. Within 15 days from the end of the inspection, the Board of Supervision shall submit an inspection report to the BOD and the shareholder or group of shareholders requested. The inspection carried out by the Board of Supervision provided herein shall not affect the normal operation of the BOD and interrupt the Company's business operation.
7. Propose changes and improvements to the organizational structure, supervision and administration of the Company to the BOD or the GMS.
8. Whenever a member of the BOD, the General Director is found violated Article 165 of the Law on Enterprises, it shall promptly send a notice to the BOD requesting the person(s) committed the violation to stop the violation and find solutions to tackle.
9. Participate and discuss in meetings of the GMS, the BOD and other meetings of the Company.
10. Employ independent consultants and internal audits of the Company to serve the performance of their tasks.
11. The Board of Supervision may consult with the BOD before submitting its reports, conclusions and proposals to the GMS.
12. Inspect each of the specific issues relevant to the management and operation of the Company at the request of the shareholders.
13. Request the BOD to convene an extraordinary GMS.
14. Convene the GMS instead of the BOD within thirty (30) days if the BOD fails to convene the GMS as prescribed in Clause 3 Article 140 of the Law on Enterprises.
15. Request the Chairman of the BOD to convene meetings of the BOD.
16. Review, extract, make copies all or a part of the declared information on the List of related persons and related interests prescribed in Clause 1 and Clause 2 Article 164 of the Law on Enterprises.
17. Propose and recommend the GMS to approve the list of accredited audit organizations to audit the Company's financial statements; accredited audit organization shall also audit the Company's operation where necessary.
18. Be responsible before the shareholders for its supervision activities.
19. Supervise the financial status of the Company, the legal compliance of members of the BOD, the General Director and other managers in their operations.
20. Ensure the cooperation with the BOD, the General Director and shareholders.
21. In cases of violation against regulations of law or the Company Charter by a member of the BOD, the General Director and other executives, the Board of Supervision shall notify in writing to the BOD within forty eight (48) hours, requesting the person(s)

committed the violation to stop the violations and find solutions to rectify the consequences;

22. Formulate the Operation Rules of the Board of Supervision and submit them to the GMS for approval.
23. Witness the counting of votes by the BOD and issue a minutes of counting of vote if requested by the BOD in case of collecting shareholders' written opinions for ratification of the GMS 's resolution.
24. The Chief of Board of Supervision shall organize the election of the chairman of the GMS in case the Chairman is absent or temporarily unable to work if the remaining members of the BOD fails to elect a chairman. In this case, the person who receives the most votes shall chair the meeting.
25. Exercise other rights and obligations prescribed by the Law on Enterprises, the Company Charter and the resolution of the GMS.

Article 13. Rights to be provided with information of the Board of Supervision

1. Documents and information shall be sent to members of the Board of Supervision at the same time and using the same method as those applied to BOD members, including:
 - a. Meeting invitation, consultation form with members of the BOD members and attached documents;
 - b. Reports of the General Director submitted to the Board of Supervision or other documents issued by the Company.
 - c. Resolutions, decisions and meeting minutes of the BOD, GMS or other documents issued by the Company.
2. Entitled to access archives of the Company kept at the head office, branches and other locations; to visit the workplace of managers and employees of the Company during working hours;
3. The Board of Directors, members of the Board of Directors, General Director and other managers to provide full, accurate and opportune information and documents on management, administration and management, business activities of the Company at the request of the Board of Supervision or its members.

Article 14. Responsibilities of the Board of Supervision to convene extraordinary GMS

1. The Board of Supervision shall convene the GMS instead of the BOD within 30 days in case the BOD fails to convene the GMS in following cases:
 - a. The number of remaining members of the BOD, the BOS is less than the minimum number prescribed by laws;
 - b. At the request of a shareholder or group of shareholders as specified in clause 3 Article 11 of this Charter;
 - c. An extraordinary GMS is requested by the Board of Supervision but not convened by the BOD.
2. In case the Board of supervision fails to convene General meeting of Shareholders as per law, the Board of supervision shall compensate for the detriments incurred by the Company.
3. Expenses for convening and conducting the meeting of the GMS under Clause 1 of this Article shall be reimbursed by the Company.

CHAPTER IV. MEETINGS OF THE BOARD OF SUPERVISION

Article 15. Meetings of the Board of Supervision

1. The Board of Supervision must meet at least two (02) times a year with the attendance of at least two thirds (2/3) of the members of the Board of supervision.
2. The Board of Supervision has the right to request members of the Board of Directors, General Director and representatives of the approved auditing organization to attend and answer questions that need to be clarified.

Article 16. Meeting minutes of the Board of supervision

Meeting minutes of the Board of Supervision are clearly taken in detail. The minutes taker and the Board of Supervision members attending the meeting must sign the minutes of the meeting. The Board of Supervision meeting minutes must be kept to identify the responsibilities of each member of the Board of Supervision

CHAPTER V. REPORTING AND DISCLOSURE OF INTERESTS

Article 17. Submission of annual reports

Các Báo cáo của the Board of supervision tại cuộc họp annual General meeting of Shareholders include the following items:

1. Reports on the Company's business results, performance of the BOD, the General Director, which shall be submitted to the annual GMS for approval.
2. The self-assessment report on performance of the BOS and its members.
3. Remunerations, operating costs and other benefits of the BOS and each of its members.
4. Summaries of meetings of the Board of Supervision and conclusions and proposals of the BOS; result of supervision of the Company's operation and finance.
5. Assessment reports on transactions between the Company, subsidiary companies and other companies which the Company is holding over fifty percent (50%) charter capital with members of the BOD, the General Director and their related persons; transactions between the Company with companies whose founders or managers are members of the BOD over the last three (3) years from the transaction date.
6. Result of supervision on the BOD, the General Director and other executives.
7. Propose and recommend the GMS to approve the list of accredited audit organizations, which will audit the Company's financial statements; accredited audit organization may also audit the Company's operation where necessary.
8. Result of assessment of cooperation between the BOS, the BOD, the General Director and shareholders.

Article 18. Tiền lương và quyền lợi khác

Salary, remuneration, bonus and other benefits of members of The Board of Supervision are implemented in accordance with the following regulations::

1. Members of The Board of Supervision are paid salary, remuneration, bonus and other benefits as decided by the General Meeting of Shareholders. The General Meeting of

Shareholders decides the total salary, remuneration, bonus, other benefits and annual operating budget of The Board of Supervision.

2. Members of the Board of Supervision are reimbursed for meals, accommodation, travel, expenses of independent consulting service at a reasonable rate. This total remuneration and expenses shall not exceed the total annual operating budget of the Board of Supervision approved by the General Meeting of Shareholders, unless otherwise decided by the General Meeting of Shareholders.
3. The Board of Supervision's salary and operating expenses are included in the Company's business expenses as specified the law on corporate income tax and other relevant laws and must be a separate item in the Company's annual financial statements.

Article 19. Disclosure of relevant interests

1. The Company's BOS members must their related interests, including:
 - a. Names, enterprise code, headquarter address, business lines of enterprises their related persons jointly or separately hold capital contribution or shares that are more than 10% of charter capital.
 - b. Names, enterprise code, headquarter address, business lines of enterprises which they own or in which they hold capital contribution or shares; their shareholding ratio and time of shareholding;
2. The declaration in Clause 1 of this Article shall be made within seven (7) working days from the occurrence date of related interests; any amendment shall be informed to the Company within seven (7) working days from its occurrence date.
3. Members of the Board of Supervision and their related persons may only use the information obtained from their positions to serve the interests of the Company
4. Members of the Board of Supervision are to notify in writing the BOD and the Board of Supervision on the transactions between the Company, subsidiary companies, other companies that the Company holds over fifty percent (50%) of Charter capital with related persons of members of the Board of Supervision as prescribed by law. For the above transaction approved by the GMS or the BOD, the Company shall disclose information about the transactions in accordance with regulations of the securities laws on information disclosure.
5. Members of the Board of Supervision and their related persons must not use or disclose to other people the internal information to carry out relevant transactions.

CHAPTER VI. RELATIONS OF THE BOARD OF SUPERVISION

Article 20. Relationships between members of the Board of supervision

Members of the Board of Supervision are independent of one another and shall cooperate in performance of common tasks to fulfill the rights and obligations of the Board of Supervision as specified by law and the Company Charter. The Chief of the Board of Supervision shall coordinate operation of the Board of Supervision but does not have the right to control its members.

Article 21. Relationship with the Board of management

The Board of supervision are independent of the executive management of the Company and shall supervise operation of the executive management.

Article 22. Relationship with the Board of Directors

The Board of supervision are independent of the Board of Directors and shall supervise operation of the executive management.

CHAPTER VII. IMPLEMENTATION PROVISION

Article 23. Enforcement

The regulations on operation of the Board of supervision of Hoang Anh Gia Lai Joint Stock Company comprise 7 chapter, 23 Article and come into effect from 02nd December 2021.

**FOR THE BOARD OF SUPERVISION
CHIEF**

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