

*Hue, July ..... 2021*

## **OPERATIONAL REGULATION OF THE BOARD OF SUPERVISORS**

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*Pursuant to the Law on Securities dated November 26, 2019;*

*Pursuant to the Enterprise Law dated June 17, 2020;*

*Pursuant to Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government detailing the implementation of a number of articles of the Law on Securities;*

*Pursuant to Circular No. 116/2020/TT-BTC dated December 31, 2020 of the Minister of Finance guiding a number of articles on corporate governance applicable to public companies in Decree No. 155/2020/ Decree-CP dated December 31, 2020 of the Government detailing the implementation of a number of articles of the Law on Securities;*

*Pursuant to the Charter of Huong Giang Tourist Joint Stock Company;*

*Pursuant to the Resolution of the General Meeting of Shareholders No. 01/NQ-GSM dated July 20th, 2021;*

*The Board of Supervisors promulgates the Operation Regulation of the BOS of Huong Giang Tourist Joint Stock Company;*

*Operation regulations of the BOS of Huong Giang Tourist Joint Stock Company include the following contents:*

### **Chapter I**

#### **GENERAL RULES**

##### **Article 1. Scope of regulation and subjects of application**

1. Scope of regulation: The Regulation on operation of the BOS prescribes the organizational structure, personnel, standards, conditions, rights and obligations of the BOS and members of the BOS in accordance with the Law on Enterprises, Charter of the company and other relevant regulations.
2. Subjects of application: Operational regulations of the BOS are applicable to the BOS and its members.

##### **Article 2. Operational principles of the BOS**

The BOS works according to the collective principle. The members of the BOS are personally responsible for their work and jointly responsible before the General Meeting of Shareholders, before the law for the tasks and decisions of the BOS.

### **Chapter II**

## **MEMBER OF THE BOARD OF SUPERVISOR**

### **Article 3. Rights, obligations and responsibilities of members of the BOS**

1. Strictly comply with the law, the company's charter, the resolution of the General Meeting of Shareholders and professional ethics in performing the assigned rights and obligations.
2. To perform the assigned rights and obligations honestly, carefully and in the best way to ensure the maximum legitimate interests of the Company.
3. Loyal to the interests of the Company and shareholders; not abuse the position and use information, business secrets, business opportunities and other assets of the Company for personal gain or to serve the interests of other organizations and individuals.
4. Other obligations as prescribed by the Law on Enterprises and the company's charter.
5. In case of violation of the provisions of Clauses 1, 2, 3 and 4 of this Article, causing damage to the Company or other people, the member of the BOS shall be personally or jointly responsible for compensating for such damage. Incomes and other benefits that members of the BOS gained due to violations must be returned to the Company.
6. In case a member of the BOS is found to have committed violations in the exercise of their assigned rights and obligations, a written notice must be sent to the BOS, requesting the violator to stop the violation and remedy consequence.

### **Article 4. Term and number of members of the BOS**

1. The BOS has 03 members, the term of the BOS members is not more than 05 years and can be re-elected for an unlimited number of terms.
2. Members of the BOS are not necessarily shareholders of the Company.
3. The BOS must have more than half of its members permanently residing in Vietnam.
4. If members of the BOS end at the same time, but a member of the BOS for a new term has not been elected, the member of the BOSS whose term has expired will continue to perform his/her rights and obligations until he/she new member of the BOS are elected and take on duties.

### **Article 5. Criteria and conditions for members of the BOS**

1. Members of the BOS must meet the following criteria and conditions:
  - a) Not falling into the category specified in Clause 2, Article 17 of the Enterprise Law;
  - b) Being trained in one of the majors in economics, finance, accounting, auditing, law, business administration or in suitable major to the Company's business activities;
  - c) Not being family relation with BOM members, General Director and other managers;
  - d) Not a manager of the Company, not necessarily a shareholder or employee of the Company;
  - đ) Not allowed to work in the accounting and finance department of the Company;
  - e) Not be a member or employee of an audit organization approved to audit the Company's financial statements for the previous 3 years;

- g) Other criteria and conditions as prescribed by relevant laws and the company's charter.
- 2. In addition to the criteria and conditions specified in Clause 1 of this Article, a member of the BOS of a public company as prescribed at Point b, Clause 1, Article 88 of the Law on Enterprises must not be in family relation to the executives of the Company and the parent company; the representative of the capital portion of the enterprise, the representative of the state capital portion at the parent company and at the Company.

#### **Article 6. Head of the BOS**

- 1. The head of the BOS must have a university degree or higher in one of the majors in economics, finance, accounting, auditing, law, business administration or a major related to the enterprise's business activities.
- 2. The Head is elected by the BOS from among the members of the BOS; election, dismissal and removal from office on the principle of majority.
- 3. The rights and obligations of the Head of the BOS are stipulated in the company's charter.

#### **Article 7. Nomination and self-nomination for members of the BOS**

- 1. A shareholder or group of shareholders owning 10% or more of the total number of ordinary shares has the right to nominate member to the BOS. The nomination of persons to the BOS shall be carried out as follows:
  - a) Ordinary shareholders forming a group to nominate persons to the BOS must notify the grouping to the attending shareholders before the opening of the General Meeting of Shareholders;
  - b) Based on the number of members of the BOS, a shareholder or group of shareholders specified in this Clause is entitled to nominate one or several people according to the decision of the General Meeting of Shareholders as a candidate for the BOS. In case the number of candidates nominated by a shareholder or a group of shareholders is lower than the number of candidates they are entitled to nominate according to the decision of the General Meeting of Shareholders, the remaining number of candidates shall be determined by the BOM, the BOS, I and other shareholders nominate.
- 2. In case the number of candidates for the BOS through nomination and self-nomination is still not enough as prescribed in Clause 5, Article 115 of the Law on Enterprises, the incumbent BOS shall introduce additional candidates or organize nomination in accordance with the provisions of the company's charter, internal regulations on corporate governance and operation regulations of the BOS. The introduction of more candidates by the incumbent BOS must be clearly announced before the General Meeting of Shareholders votes to elect members of the BOS in accordance with law.

#### **Article 8. Method of electing, dismissing and removing members of the BOS**

- 1. The election, dismissal and removal of members of the BOS fall under the authority of the General Meeting of Shareholders.
- 2. Voting to elect members of the BOS must be done by the cumulative voting method, whereby each shareholder has the total number of votes corresponding to the total number of shares owned multiplied by the number of elected members of the BOS

and shareholders have the right to put all or part of their total votes for one or several candidates. The elected members of the BOS are determined by the number of votes from high to low, starting from the candidate with the highest number of votes until the number of members specified in the company's charter is reached. In case there are 02 or more candidates achieving the same number of votes for the last member of the BOS, a re-election will be conducted among the candidates with the same number of votes or selected according to the criteria prescribed in the election regulations or the company's charter.

#### **Article 9. Cases of dismissal or removal of members of the BOS**

1. The General Meeting of Shareholders dismisses a member of the BOS in the following cases:
  - a) No longer meeting the criteria and conditions to be a member of the BOS as prescribed in Article 169 of the Enterprise Law;
  - b) Has a resignation letter and is approved;
  - c) Other cases prescribed by the company's charter.
2. The General Meeting of Shareholders removes a member of the BOS in the following cases:
  - a) Failure to complete assigned tasks or assignments;
  - b) Failing to perform his/her rights and obligations for 6 consecutive months, except for force majeure cases;
  - c) Repeated violations, serious violations of obligations of BOS member in accordance with the Law on Enterprises and the company's charter;
  - d) Other cases according to the resolution of the General Meeting of Shareholders.

#### **Article 10. Notice of election, dismissal and removal of members of the BOS**

1. In case the candidate for the BOS has been identified, the Company must disclose information related to the candidates at least 10 days before the opening date of the General Meeting of Shareholders on the Company's website. In order for shareholders to learn about these candidates before voting, the candidate for the BOS must have a written commitment to the truthfulness and accuracy of the personal information disclosed and must commit to perform their duties honestly, carefully and in the best interests of the company if elected as a member of the BOS. Information related to the BOS candidate to be announced includes:
  - a) Name, date, month, year of birth;
  - b) Qualification;
  - c) Working history;
  - d) Other management positions;
  - đ) Interests related to the Company and its related parties;
  - e) Other information (if any) as prescribed in the company's charter;
  - g) The company must be responsible for disclosing information about the companies in which the candidate holds managerial positions and the interests related to the candidate's company of the BOS (if any).

2. The notification of results of election, dismissal and removal of members of the BOS shall comply with the guiding regulations on information disclosure.

### **Chapter III**

#### **BOARD OF SUPERVISORS**

##### **Article 11. Rights, obligations and responsibilities of the BOS**

1. The BOS supervises the BOM, Director or General Director in the management and administration of the Company.
2. Checking the reasonableness, lawfulness, honesty and prudence in the management and administration of business activities; systematicity, consistency and appropriateness of accounting, statistical and financial reporting.
3. Appraise the completeness, legitimacy and truthfulness of the Company's report on business situation, annual and 6-month financial statements, report on management evaluation of the BOM and submit the appraisal report to the Annual General Meeting of Shareholders. Review contracts and transactions with related persons under the approval authority of the BOM or the General Meeting of Shareholders and make recommendations on contracts and transactions that require approval of the BOM or the General Meeting of Shareholders.
4. Review, examine and evaluate the effectiveness and efficiency of the Company's internal control, internal audit, risk management and early warning systems.
5. Reviewing accounting books, accounting records and other documents of the Company, the management and operation of the Company when deeming it necessary or according to the resolution of the General Meeting of Shareholders or at the request of the shareholders or groups of shareholders specified in Clause 2, Article 115 of the Law on Enterprises.
6. Upon request of a shareholder or a group of shareholders specified in Clause 2, Article 115 of the Law on Enterprises, the BOS shall conduct an inspection within 07 working days from the date of receipt of the request. Within 15 days from the date of completion of the inspection, the BOS must report on the issues requested to be inspected to the BOM and the requesting shareholder or group of shareholders. The inspection by the BOS specified in this Clause must not interfere with the normal operation of the BOM, nor disrupt the Company's business operations.
7. Propose to the BOM or the General Meeting of Shareholders measures to amend, supplement and improve the organizational structure of management, supervision and administration of the Company's business activities.
8. When detecting a member of the BOM, Director or General Director violating the provisions of Article 165 of the Law on Enterprises, they must immediately notify in writing to the BOM, requesting the violator to stop violations and take remedial measures.
9. Attend and participate in discussions at the General Meeting of Shareholders, the BOM and other meetings of the Company.
10. Use independent consultants, the Company's internal audit department to perform assigned tasks.
11. The BOM may consult the BOM before submitting reports, conclusions and recommendations to the General Meeting of Shareholders.

12. Check each specific issue related to management and operation of the Company at the request of shareholders.
13. Request the BOM to convene an extraordinary meeting of the General Meeting of Shareholders.
14. On behalf of the BOM to convene the General Meeting of Shareholders within 30 days in case the BOM fails to convene the General Meeting of Shareholders as prescribed in Clause 3, Article 140 of the Law on Enterprises.
15. Request the Chairman of the BOM to convene a meeting of the BOM.
16. Examine, extract and copy part or all of the declared contents List of related persons and related interests declared as prescribed in Clauses 1 and 2, Article 164 of the Law on Enterprises.
17. Propose and recommend to the General Meeting of Shareholders to approve the list of auditing organizations approved to audit the Company's financial statements; the approved audit organization implements to inspect the Company's activities when it deems it necessary.
18. Be responsible to shareholders for their supervisory activities.
19. Supervise the financial situation of the Company, the compliance with the law by members of the BOM, General Director, other managers in all activities.
20. Ensure coordination with the BOM, Director (General Director) and shareholders.
21. In case of detecting illegal acts or violations of the company's charter by members of the BOM, the Director (General Director) and other enterprise executives, the BOS must notify in writing to the BOM within 48 hours, request the violator to stop the violation and have a solution to remedy the consequences.
22. Develop the Regulation on the operation of the BOS and submit it to the General Meeting of Shareholders for approval.
23. Witness the BOM to organize the vote counting and make a minutes of the vote counting if requested by the BOM in the case of collecting shareholders' written opinions to pass a resolution of the General Meeting of Shareholders.
24. The Head of the BOS allows the General Meeting of Shareholders to elect a chairman of the meeting in case the Chairman is absent or temporarily incapacitated but the remaining members of the BOM cannot elect a chairperson. In this case, the person with the highest number of votes shall chair the meeting.
25. To exercise other rights and perform other obligations in accordance with the Law on Enterprises, the company's charter and the Resolution of the General Meeting of Shareholders.

#### **Article 12. Right to be provided with information of the BOS**

1. Documents and information must be sent to members of the BOS at the same time and in the same manner as for members of the BOM, including:
  - a) Notification of meeting invitation, opinion form of BOM members and enclosed documents;
  - b) Resolutions, decisions and meeting minutes of the General Meeting of Shareholders, the BOM;

- c) Report of the Director or General Director submitted to the BOM or other documents issued by the Company.
2. Members of the BOS have the right to access files and documents of the Company kept at the head office, branches and other locations; have the right to go to the workplace of managers and employees of the Company during working hours.
3. The BOM, members of the BOM, the Director or General Director, and other managers must provide fully, accurately and promptly information and documents on the management, administration and business operation of the Company at the request of a member of the BOS or BOS.

#### **Article 13. Responsibilities of the BOS in convening an extraordinary meeting of the General Meeting of Shareholders**

1. The BOS is responsible for replacing the BOM to convene the General Meeting of Shareholders within 30 days in case the BOM does not convene the General Meeting of Shareholders in the following cases:
  - a) The number of remaining members of the BOM and BOS is less than the number of members as prescribed by law;
  - b) At the request of a shareholder or group of shareholders specified in Clause 2, Article 115 of the Law on Enterprises;
  - c) When there is a request to convene an extraordinary meeting of the General Meeting of Shareholders of the BOS but the BOS fails to implement.
2. In case the BOS fails to convene the General Meeting of Shareholders as prescribed, the BOS must compensate for any damage incurred to the Company.
3. The expenses for convening and conducting the General Meeting of Shareholders as prescribed in Clause 1 of this Article will be reimbursed by the Company.

### **Chapter IV**

#### **MEETING OF THE BOARD OF SUPERVISORS**

##### **Article 14. Meetings of the BOS**

1. The BOS must meet at least two (02) times a year, the number of members attending the meeting is at least two thirds (2/3) of the BOS members.
2. The BOS has the right to request members of the BOM, General Director and representatives of an approved audit organization to attend and answer questions that need to be clarified.

##### **Article 15. Minutes of the BOS meeting**

Minutes of the BOS meeting are detailed and clear. The person recording the minutes and BOS members attending the meeting must sign the minutes of the meeting. Minutes of meetings of the BOS must be kept in order to determine the responsibilities of each member of the BOS.

### **Chapter V**

#### **REPORT AND DISCLOSURE OF BENEFITS**

##### **Article 16. Annual report submission**

The reports of the BOS at the Annual General Meeting of Shareholders include the following contents:

1. Report on the Company's business results, on the performance of BOM, the General Director to submit to the General Meeting of Shareholders for approval at the Annual General Meeting of Shareholders.
2. Report on performance self-assessment of the BOS and members of the BOS.
3. Remuneration, operating expenses and other benefits of the BOS and each member of the BOS.
4. Summarizing the meetings of the BOS and the conclusions and recommendations of the BOS; results of monitoring the Company's operational and financial situation.
5. Report on evaluation of transactions between the Company, its subsidiaries and other companies controlled by the Company with fifty percent (50%) or more of the charter capital with members of the BOM, the General Director and related persons of that member; transactions between the company and the company in which a member of the BOM is a founding member or a manager of the enterprise during the last 3 years before the transaction;
6. Monitoring results for the BOM, General Director and other business executives.
7. Results of evaluating the coordination between the BOS and the BOM, the General Director and shareholders.
8. Propose and recommend to the General Meeting of Shareholders to approve the list of auditing organizations to audit the Company's financial statements; the audit organization is approved to inspect the Company's activities when it deems it necessary.

#### **Article 17. Salary and other benefits**

Salary, remuneration, bonus and other benefits of members of the Supervisory Board shall comply with the following provisions:

1. Members of the BOS are entitled to salary, remuneration, bonus and other benefits according to the decision of the General Meeting of Shareholders. The General Meeting of Shareholders decides on the total salary, remuneration, bonus and other benefits and the annual operating budget of the BOS.
2. Members of the BOS are entitled to be paid for meals, accommodation, travel, expenses for using independent consulting services at a reasonable rate. This total remuneration and expenses must not exceed the total annual operating budget of the BOS approved by the General Meeting of Shareholders, unless otherwise decided by the General Meeting of Shareholders.
3. Salaries and operating expenses of the BOS are included in the Company's business expenses in accordance with the law on corporate income tax and other relevant laws and must be made in a separate item in the Company's annual financial statements.

#### **Article 18. Disclosure of related interests**

1. Members of the BOS must declare to the Company about their related interests, including:
  - a) Name, enterprise registration number, head office address, business lines of enterprises in which they own or own contributed capital or shares; rate and time of ownership, owning of such contributed capital or shares;
  - b) Name, enterprise registration n number, head office address, lines of business of the enterprise in which their related persons own, jointly or separately own a contributed capital or shares of more than 10% of the charter capital rate.



2. The declaration as prescribed in Clause 1 of this Article must be made within 07 working days from the date of arising related interests; the amendments and supplements must be notified to the Company within 07 working days from the date of the corresponding amendments and supplements.
3. Members of the BOS and related persons of members of the BOS may only use information obtained through their positions to serve the interests of the Company.
4. Members of the BOS are obliged to notify in writing the BOM and the BOS of transactions between the Company, its subsidiaries and other companies over which the Company holds a controlling interest of fifty percent (50%) or more of the charter capital with a member of the BOS or with related persons of a member of the BOS in accordance with the law. For the above transactions approved by the General Meeting of Shareholders or the BOM, the Company must disclose information about these resolutions in accordance with the provisions of the securities law on information disclosure
5. Members of the BOS and their related persons are not allowed to use or disclose to others information to carry out relevant transactions.

## **Chapter VI**

### **RELATIONSHIP OF THE BOARD OF SUPERVISORS**

#### **Article 19. Relationship between members of the BOS**

The members of the BOS have an independent relationship, not dependent on each other, but have coordination and cooperation in common work to ensure good implementation of the responsibilities, rights and duties of the BOS as prescribed. law and the company's charter. The Head of the BOS is the person who coordinates work of the BOS but has no power to govern the members of the BOS.

#### **Article 20. Relationship with the Executive Board**

The BOS has an independent relationship with the Executive Board of the Company, which is the unit that performs the function of supervising the activities of the Executive Board.

#### **Article 21. Relationship with the BOM**

The BOS has an independent relationship with the BOM of the Company, which is the unit that performs the function of supervising the activities of the BOM.

## **Chapter VII**

### **IMPLEMENTATION TERMS**

#### **Article 22. Effectiveness**

Operation regulation of the BOS of Huong Giang Tourist Joint Stock Company includes 07 Chapters, 22 Articles and takes effect from July 20<sup>th</sup>, 2021.

**On behalf of BOARD OF SUPERVISORS**  
**HEAD OF THE BOARD**  
*(Sign, full name and seal)*