

**PHU NHUAN JEWELRY JOINT STOCK COMPANY**



***DRAFT***

**REGULATIONS ON CORPORATE GOVERNANCE**

***Tp. Ho Chi Minh city, April 16<sup>th</sup>, 2022***

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## **CHAPTER I**

### **GENERAL PROVISIONS**

#### **Article. Subjects of application and scope of regulation**

1.1. Scope of regulation This regulation provides the basic corporate governance principles to protect shareholders' legitimate rights and interests; Stipulate the contents of the roles, rights and obligations of the General Meeting of Shareholders, the Board of Directors, General Director; order and procedures for the General Meeting of Shareholders; nominate, stand for election, elect, dismiss and remove members of the Board of Directors, Audit Committee, General Director and other activities in accordance with the company's charter and other current regulations of the law.

1.2. Subjects of application This Regulation applies to members of the Board of Directors, Audit Committee, General Director and related persons.

1.3. This regulation is posted on the Website of Phu Nhuan Jewelry Joint Stock Company.

#### **Article 2. Terms interpretation**

2.1. The following terms shall be interpreted as follows:

a. “Corporate governance” is a system of rules to ensure that the Company is oriented to operate and controlled in an effectively manner for the benefit of shareholders and stakeholders related to the Company. Internal regulations on corporate governance include:

- ☐ To ensure an effective management structure;
- ☐ To ensure interests of shareholders;
- ☐ To provide fair treatment to shareholders;
- ☐ To ensure the roles of the Company’s stakeholders;
- ☐ To be transparent on the Company’s operation;

- Board of Directors and Supervisory Board manage and control the Company in an efficient manner.

b. “Working day” is days of the week excluding Saturday, Sunday and other holidays according to the Company’s regulation;

c. “This Regulation” is the internal Regulation on Corporate Governance of Phu Nhuan Jewelry Joint Stock Company

d. “Company” is Phu Nhuan Jewelry Joint Stock Company;

e. Other words used in this Regulation are defined in reference to provisions of Term interpretation in the Charter of Phu Nhuan Jewelry Joint Stock Company.

#### **Article 3. General regulations**

3.1. The titles of articles in this Regulation are only for the convenient purpose to follow, do not affect the meaning of the articles of this Regulation.

3.2. In this Regulation, any references to any article or document shall include its amendments or replacements.

## **CHAPTER II**

### **GENERAL MEETING OF SHAREHOLDERS**

#### **Article 4. Rights of shareholders**

Shareholders of the Company have all the rights specified in Article 24 of the Company's Charter.

#### **Article 5. Ensuring the rights of shareholders**

5.1. The Company always aims to ensure the legitimate interests of all shareholders, regardless of organization or individual, regardless of nationality and do not discriminate between major shareholders and minority shareholders.

5.2. All legal rights of shareholders in accordance with the prevailing legal regulations, the Company's Charter and other internal management regulations of the Company shall be respected and fairly treated by members of Board of Directors, General Directors, the company executives.

#### **Article 6. General Meetings of Shareholders**

6.1. The Company regulates the orders, procedures for convening and voting at the General Meetings of Shareholders in accordance with Law on Enterprise, related statutory documents and the Company Charter, including main contents as follows:

- a. Authority to convene the General Meeting of Shareholders;
- b. Announcement of closing the list of shareholders entitled to attend the General Meetings of Shareholders;
- c. Announcement of convening the General Meetings of Shareholders;
- d. Agenda and contents of the General Meeting of Shareholders;
- e. Method to register to attend the General Meeting of Shareholders
- f. Conditions of conduct;
- g. Method to organize the General Meeting of Shareholders;
- h. Method of voting, counting of votes, and announcing the results of the vote counting at the General Meeting of Shareholders;
- i. Make minutes of the General Meeting of Shareholders;
- j. Methods of objecting to resolutions of the General Meeting of Shareholders;
- k. Announcement of resolutions of the General Meeting of Shareholders;
- l. The adoption of a resolution by the General Meeting of Shareholders in the form of collecting written opinions
- m. Other issues.

6.2. The Company fully complies with the orders and procedures for convening the General Meetings of Shareholders in accordance with the provisions of law, the Company's Charter, this Regulation and other internal management regulations of the Company.

6.3. Annually, the Company must conduct the Annual General Meeting of Shareholders in accordance with the provisions of the Company Charter. The Annual General Meetings of Shareholders must not be held in the form of collecting written opinions from shareholders.

6.4. The Company shall do its best in applying modern information technology to enable shareholders to participate and express their opinions at the General Meeting of Shareholders through online meetings, electronic voting or other electric forms as prescribed in Article 144 of the Law on Enterprises and the company's charter.

6.5. Regulations on organization of the General Meeting of Shareholders in the online form shall comply with the law, the Company's Charter, this Regulation, and Appendix 1 of the Regulation guiding the attendance of the General Meeting of Shareholders, online and conduct electronic voting promulgated together with this Regulation.

## **Article 7. Orders, procedures for convening and voting at the General Meetings of Shareholders**

7.1. Authority to convene the General Meeting of Shareholders: The Board of Directors convenes the annual and extraordinary General Meeting of Shareholders. The Board of Directors shall convene an Extraordinary General Meeting of Shareholders in the cases specified in Clause 4, Article 30 of the Company's Charter.

7.2. Notice of closing List of shareholders entitled to attend the General Meeting of Shareholders:

a. The list of shareholders entitled to attend the General Meeting of Shareholders is made based on the List of securities owners provided by the Vietnam Securities Depository Center, in accordance with the provisions of Point 2.1, Clause 2, Article 32, Charter of the Company.

b. The list of shareholders entitled to attend the General Meeting of Shareholders must contain their full name, permanent address, nationality, identification card number, identity card, passport or other legal personal identification of shareholders being individuals; name, enterprise code or establishment decision number, head office address of the shareholder being an organization; number of shares of each class, number and date of shareholder registration of each shareholder.

7.3. The notice to convene the General Meeting of Shareholders shall comply with the provisions of Clause 3, Article 32, of the Company's Charter.

7.4. Agenda and content of the General Meeting of Shareholders:

a. The convenor of the General Meeting of Shareholders must prepare the agenda and contents of the meeting.

b. Shareholders or groups of shareholders specified in Clause 9, Article 24 of the Company's Charter have the right to propose issues to be included in the agenda of the General Meeting of Shareholders. The petition must be in writing and sent to the company at least 03 working days before the opening date. The proposal must clearly state the name of the shareholder, the number of each type of share of shareholders, and the issues proposed to be included in the meeting agenda.

c. In case the convenor of the General Meeting of Shareholders rejects the recommendation specified at Point b, Clause 7.4 of this Article, the reason must be sent in writing within 02

working days before the opening date of the General Meeting of Shareholders. The convenor of the General Meeting of Shareholders may refuse a petition only in one of the following cases:

- The petition is not sent in accordance with the provisions of Point b, Clause 7.4 of this Article;
- Proposed issues are not under the decision-making authority of the General Meeting of Shareholders;
- Other cases as prescribed in the company's charter.

d. The convenor of the General Meeting of Shareholders must accept and include the recommendations specified at Point b, Clause 7.4 of this Article in the proposed agenda and contents of the meeting, except for the case specified at Point c, Clause 7.4 of this Article; proposals are officially added to the agenda and contents of the meeting if approved by the General Meeting of Shareholders.

7.5. Conditions for conducting the General Meeting of Shareholders are specified in Clause 6, Article 30 of the Company's Charter.

7.6. Method to register to attend the General Meeting of Shareholders:

a. Shareholders choose to register to attend the meeting of the General Meeting of Shareholders before the opening date of the meeting in the manner stated in the notice convening the meeting, including:

- Register to attend the meeting by email, fax.
  - Authorize a representative to attend the meeting. In case an institutional shareholder has more than one authorized representative, the number of authorized shares must be specified for each authorized representative.
  - Other forms of registration to attend the General Meeting of Shareholders shall be prescribed by the Board of Directors in accordance with the law.
- b. On the date of holding the General Meeting of Shareholders, the Company shall carry out the procedures for shareholder registration according to the provisions of Clause 2, Article 33 of the Company's Charter.

7.7. Voting method: The voting form and voting method for each issue are specified in the Regulations on working at the meeting approved by the General Meeting of Shareholders before the start of the General Meeting of Shareholders.

7.8. Vote counting method:

a. The General Meeting of Shareholders elects the Vote Counting Committee at the request of the Chairman before the start of the General Meeting of Shareholders. The number of members of the Vote Counting Committee is not less than three (3) people. For sensitive issues and if requested by shareholders, the Company will appoint a neutral organization to conduct the vote counting.

b. The counting of votes is carried out in accordance with the provisions of the Regulations on working and voting/election at the meeting and in compliance with the provisions of Clause 14, Article 33 of the Company's Charter. Vote counting results must be made into a vote counting minutes with all signatures of the members of the Vote Counting Committee. Voting cards, vote



counting minutes and related documents must be sealed and transferred to the Chairman of the meeting after the meeting of the General Meeting of Shareholders is completed.

7.9. The total number of shares with agree, disagree and no opinion on each issue voted on, shall be publicly announced by the Chairperson or the Vote Counting Committee and recorded in the minutes of the General Meeting. shareholders after counting the votes.

7.10. The minutes of the General Meeting of Shareholders are made according to the provisions of Article 35 of the Company's Charter.

7.11. Resolutions of the General Meeting of Shareholders must be disclosed in accordance with the provisions of the law on securities, and published on the website of the Company within twenty-four (24) hours from the date of closing the General Meeting of Shareholders.

7.12. The method of collecting written opinions of shareholders to pass a resolution of the General Meeting of Shareholders shall comply with the provisions of Article 36 of the Company's Charter.

7.13. Shareholders, groups of shareholders specified in Clause 9, Article 24 of the Company's Charter, have the right to request the Court or Arbitrator to consider and cancel the decision of the General Meeting of Shareholders in accordance with the provisions of Article 37, Regulation on Company Charter.

### **CHAPTER III**

#### **BOARD OF DIRECTORS**

##### **Article 8. Board of Directors**

8.1. Number of members and term of office of the Board of Directors shall comply with the provisions of Clause 2 and Article 38 of the Regulation on Company Charter.

8.2. Composition of the Board of Directors should ensure the balance among executive members, non-executive members and independent members of the Board of Directors. The number of independent members shall comply with the Organization and Operation Regulation of the Board of Directors.

8.3. The Board of Directors establishes Subcommittees and the Office of the Board of Directors to assist the Board of Directors in accordance with the provisions of the Company Charter, this Regulation and the Regulation on the Organization and Operation of the Board of Directors.

##### **Article 9. Rights and obligations of the Board of Directors**

9.1. The Board of Directors is responsible to shareholders for the operation of the Company; ensure that the Company fully complies with laws, the Company Charter, this Regulation and other internal management regulations of the Company; treat all shareholders fairly and respect the interests of people whose benefits are related to the Company.

9.2. The Board of Directors must comply all rights and responsibilities prescribed by the provisions of the Law on Enterprises, the Company Charter, this Regulation and other internal management regulations of the Company.

9.3. The Company decides the orders, procedures for nomination, self-nomination, election, dismissal and removal of members of the Board of Directors and the orders, procedures for

organizing meetings of the Board of Directors; and procedures for coordination between the Board of Directors, the General Director which include the following principal contents:

a. The order and procedures for nomination, self-nomination, election, dismissal and removal of members of the Board of Directors:

- Qualification for members of the Board of Directors;
- The nomination and self-nomination of members of the Board of Directors;
- Method of electing members of the Board of Directors;
- The cases of election, dismissal, or removal of members of the Board of Directors;
- Announcement of election, dismissal and removal of members of the Board of Directors.

b. Order and procedures for conducting a meeting of the Board of Directors:

- Notice of the meeting of the Board of Directors, including meeting agenda, time, place, relevant documents, and votes for the members of the Board of Directors who can not attend the meeting;
- Conditions for conducting a meeting of the Board of Directors;
- Method of voting at the meeting of the Board of Directors;
- Method of approving a resolution of the Board of Directors;
- Recording minutes of the meeting of the Board of Directors;
- Announcing resolutions of the Board of Directors.

c. Orders, procedures for coordination among the Board of Directors, the General Director:

- Procedures, orders of convening, sending meeting invitation, recording minutes and announcing meeting results between the Board of Directors and the General Director.
- Announcing resolutions of the Board of Directors to the General Director and the company executives.
- The cases of convening the Board of Directors meetings by the General Director and the issues need to be consulted the Board of Directors;
- Reports of the General Director to the Board of Directors on the performance of assigned tasks and authorities
- Assessment of the Board of Directors on the implementation of resolutions and other authorized issues to the General Director.
- Assessment of the Board of Directors on the implementation of resolutions and other authorized issues to the General Director.
- Coordination of control, management and supervising activities between members of the Board of Directors and General Director based on their specific tasks.

9.4. The Board of Directors shall stipulate the orders, procedures for selection, appointment, and dismissal of the company executives including the following principal contents:

- Qualification for choosing the company executives;
- The appointment of the company executives;
- Signing labor contracts with the company executives;
- Cases of dismissing the company executives;
- Announcing the appointment and dismissal of the company executives.

9.5. The Board of Directors is responsible for setting up a mechanism for performance evaluation, rewards, and disciplines on the company executives.

9.6. The Board of Directors is responsible for reporting its activities to the Annual General Meeting of Shareholders in accordance with the provisions of Article 13 of this Regulation.

#### **Article 10. Orders and procedures for nomination, self-nomination, election, removal and dismissal of members of the Board of Directors**

10.1. Members of the Board of Directors must ensure the qualification of members of the Board of Directors as stated at Clause 1, Article 40 of the Company Charter. Member of the Board of Directors must not concurrently be a member of the Board of Directors at more than five (5) companies.

10.2. The nomination and self-nomination of members of the Board of Directors shall be conducted in accordance with the provisions of Clauses 3 and 4, Article 40 of the Company Charter. The nomination and self-nomination of members of the Board of Directors shall be conducted in accordance with the provisions of Clauses 3 and 4, Article 40 of the Company Charter. Shareholders or groups of shareholders, who gather voting shares to nominate candidates for members of the Board of Directors, must send a notice of nomination of candidates to members of the Board of Directors to the convenor of the General Meeting of Shareholders at least fifteen (15) days prior to the date of the General Meeting of Shareholders. The notice must contain the information of shareholders, the total number of voting shares held, full name of the nominee, and other information relating to the candidates to members of the Board of Directors as stated in Clause 2, Article 40 of the Company Charter.

10.3. Information related to the candidates for members of the Board of Directors is disclosed as stated in Clause 2, Article 40 of the Company Charter for all shareholders to consider before voting.

10.4. The election of members of the Board of Directors, on the basis of cumulative voting, must comply with the regulation on election of members for the Board of Directors, which approved by the General Meeting of Shareholders before conducting the election and ensure its compliance with the Clause 4, Article 34 of the Company Charter.

10.5. A member of the Board of Directors is no longer a member of the Board of Directors when one of the circumstances stipulated in clause 5, Article 40 of the Company Charter occurs.

10.6. The Company discloses information on the nomination, self-nomination, election, dismissal and removal of members of the Board of Directors in compliance with the Law on securities.

## **Article 11 Rights and responsibilities of members of the Board of Directors**

11.1. Members of the Board of Directors have rights and responsibilities in accordance with the provisions of law, the Company Charter, this Regulation and the resolutions of the Board of Directors of the Company.

11.2. Members of the Board of Directors must exercise all rights and responsibilities as prescribed in a honest, diligent and prudent manner for the highest interests of shareholders and the Company.

11.3. Members of the Board of Directors have the right to access all information and documents relating to the Company's operation in accordance with the provisions of Article 46 of the Company Charter.

11.4. The rights and responsibilities of the Chairperson and the Vice Chairperson of the Board of Directors shall be in accordance with the provisions of Article 41 of the Company Charter.

11.5. The Company may purchase liability insurance for members of the Board of Directors after being approved by the General Meeting of Shareholders. However, this insurance does not cover the liabilities of any member of the Board related to breach of the laws, the Company Charter, this Regulation and other internal management regulations of the Company.

## **Article 12. Orders and procedures for conducting meetings of the Board of Directors**

12.1. The Board of Directors shall conduct its meetings in compliance with the provisions of the Company Charter, this Regulation and the Regulation on Organization and Operation of the Board of Directors.

12.2. First, periodic and extraordinary meetings:

a. In case of electing additional members to the Board of Directors, the first meeting of the Board of Directors shall be conducted in compliance with Clause 1, Article 44 of the Company Charter.

b. The Chairperson of the Board of Directors convenes periodic meetings of the Board of Directors in compliance with the provisions of the Company Charter, this Regulation, and Regulation on the Organization and Operation of the Board of Directors to ensure the compliance with the provision of Clause 2, Article 44 of the Company Charter.

c. The Chairperson of the Board of Directors or the authorized person shall convene extraordinary meetings of the Board of Directors in accordance with Clauses 3 and 5 of Article 44 of the Company Charter. The persons who have the authority to request the Chairperson of the Board of Directors to convene extraordinary meetings of the Board of Directors must make written request, clearly stating the purposes, issues to be discussed and decided under the authority of the Board of Directors.

12.3. Notice of meeting, agenda and related documents must be sent to the members of the Board of Directors in compliance with clause 6, Article 44 of the Company Charter.

12.4. The conditions for conducting a meeting of the Board of Directors shall be in accordance with the provisions of Clause 7, Article 44 of the Company Charter.

12.5. Forms of conducting meetings of the Board of Directors:

a. Direct meeting.

b. Telephone meeting or other forms shall be conducted in accordance with the provisions of Clauses 10 and 11, Article 44 of the Company Charter.

c. Collecting opinions in written: The Board of Directors shall collect opinions of the Board members in writing according to the provisions of the Regulation on Organization and Operation of the Board of Directors.

12.6. The voting method in the meeting of the Board of Directors shall comply with the provisions of Clause 7, Article 44 of the Company Charter, this Regulation, and Regulation on Organization and Operation of the Board of Directors.

12.7. Resolutions at meetings of the Board of Directors shall be adopted in accordance with the provisions of clause 9.6, Article 44 of the Company Charter. Resolutions in the form of collecting opinions in written shall comply with the provisions of Clause 13, Article 44 of the Company Charter.

12.8. The meeting content of the Board of Directors must be recorded in minutes and may be sound-recorded, video-recorded and archived in other electronic forms. Minutes of meetings of the Board of Directors must be detailed and clear in accordance with the provisions of the Company Charter, this Regulation, and Regulation on Organization and Operation of the Board of Directors. The Chairperson and secretary of the meetings shall be responsible for the truthfulness and accuracy of the minutes of the Board meetings. Minutes of meetings of the Board of Directors and documents used in the meetings must be archived at the head office of the Company in accordance with the provisions of the laws and the Company Charter. In case the chairperson or the minutes-recorder refuses to sign the meeting minutes, but if all other members of the Board of Directors attend the meeting to sign and have all the contents as prescribed at Points a, b, c, d, dd, e, g and h, Clause 1, Article 158 of the Law on Enterprises, this minutes shall take effect. The minutes of the meeting clearly state that the chairperson and the minutes-recorder refuse to sign the minutes of the meeting. The person who signs the minutes of the meeting is jointly responsible for the accuracy and truthfulness of the content of the minutes of the meeting of the Board of Directors. The chairperson, the person taking the minutes is personally responsible for damage caused to the company due to the refusal to sign the minutes of the meeting in accordance with this Law, the company's charter and relevant laws.

12.9. The Chairperson of the Board of Directors is responsible for sending the minutes of the Board meetings to its members in compliance with the provisions of Clause 14, Article 44 of the Company Charter. Members of the Board of Directors must sign off on every page of meeting minutes.

12.10. The Board of Directors informs its resolutions to the Supervisory Board members, General Director, and the company executives within seventy-two (72) hours from the date of approval; and the Company discloses such information to the public in compliance with the Law on securities.

### **Article 13. Report on activities of the Board of Directors at Annual General Meeting of Shareholders**

13.1. Report on the activities of the Board of Directors submitted to the Annual General Meeting of Shareholders must include at least the following contents:

- Evaluating the Company's performance in the fiscal year;

- Results of tasks performance authorized by the General Meeting of Shareholders;
- Activities of the audit committee;
- Results of supervision on General Director and the company executives;
- Plans for the future and for the next fiscal year;
- Summary of the activities, meetings of the Board of Directors, decisions of the Board of Directors and evaluating the performance of the Board of Directors;
- Remuneration, benefits, and operating expenses of the Board of Directors and each member of the Board.

#### **Article 14. Operation budget and bonus for the Board of Directors**

14.1. The Board of Directors shall build an annual operating budget, including the operating expenses of the Subcommittees, who supporting the operation of the Board, and shall not include the salaries of the executive members of the Board of Directors. The operating budget plan of the Board of Directors must be approved by the General Meeting of Shareholders at the Annual General Meeting of Shareholders.

14.2. Members of the Board of Directors shall be paid salaries, remunerations, bonuses and all other operating expenses in compliance with the provisions of Clauses 10 and 12, Article 40 of the Company Charter.

14.3. The operating budget of the Board of Directors is managed by the Chairperson of the Board and recognized by the Company in compliance with the provisions of the law on.

14.4. The total amount payable to the Board of Directors and each member of the Board of Directors in accordance with the provisions of Clause 11, Article 40 of the Company Charter shall be stated in detail in the Company's Annual Report and informed to all shareholders at the Annual General Meeting of Shareholders.

### **CHAPTER IV AUDIT COMMITTEE**

#### **Article 15. Audit committee**

15.1. The structure of the audit committee and the term of member of the Audit Committee comply with the provisions of Article 47 of the Company Charter.

15.2. Standards and the election of the Chairperson of the Audit Committee shall comply with the provisions of Clauses 3, 4, and 5, Article 47, of the Company Charter.

#### **Article 16. Rights and obligations of the Audit Committee**

Audit Committee has rights and obligations as stipulated in Article 48, Company Charter and other internal regulations of the Company.

## **Article 17. Procedures for the appointment, dismissal and removal of members of the Audit Committee**

17.1 The appointment, dismissal and removal of the Chairperson of the Audit Committee and other members of the Audit Committee are proposed by the Chairperson of the Board of Directors and approved by the Board of Directors at the meeting of the Board of Directors.

17.2 The appointment, dismissal and removal of the Chairperson of the Audit Committee and other members of the Audit Committee must be recorded in writing, promulgated resolutions and disclosed in accordance with the law on securities.

## **Article 18. Conducting the meeting Audit Committee**

18.1. The Audit Committee holds the meeting according to Article 50, the Company Charter and the Regulations on operation of the Audit Committee;

18.2 The forms of the meeting is decided by the Chairman of the Audit Committee. The Auditing Committee has the rights and must notify five (05) working days in advance to invite the General Director, the company executives to attend the meeting and report and explain the contents requested by the Auditing Committee at the meeting. The General Director, the company executives is allowed to participate in the discussion and give comments on the meeting contents but have no voting rights.

## **Article 19. Report of independent member of the Board of Directors in the Audit Committee at the Annual General Meeting of Shareholders**

19.1. The independent member of the Board of Directors in the Audit Committee is responsible for reporting activities at the Annual General Meeting of Shareholders in accordance with Article 49 of the Company Charter.

19.2. The reports of the Audit Committee as stipulated in Article 49, the company charter must be sent to the members of the Board of Directors and the General Director thirty (30) days prior to the date of the meeting of the General Meeting of Shareholders.

## **Article 20. Operating expenses of the Audit Committee**

20.1. Audit Committee members are entitled to receive remuneration, benefits and payment of operating expenses according to the regulations of the Board of Directors of the Company.

20.2. Operating expenses of the Audit Committee, salaries, allowances ... of other personnel in the Audit Committee comply with the Company regulations.

# **CHAPTER V**

## **SUBCOMMITTEES OF THE BOARD OF DIRECTORS**

### **Article 21. Subcommittees supporting the activities of the Board of Directors and Office of the Board of Directors**

21.1. The Board of Directors may establish Subcommittees to support the activities of the Board of Directors. The organizational structure, functions and duties of the Subcommittees are implemented in accordance with Article 43 of the company Charter;

21.2 The Board of Directors establishes the Office of the Board of Directors to assist the Board of Directors in accordance with the law. Salaries and other benefits of employees working at the Office of the Board of Directors comply with the Company regulations.

21.3. The Board of Directors shall notify the contents related to the Subcommittees specified in this Article to the General Director and the company executives within seventy -two (72) hours from the date of the approval of the resolution; and disclosing information to the public in accordance with the securities law.

## **Article 22. Operating budget of the Subcommittees and the Office of the Board of Directors**

22.1. The annual operating budget of each Subcommittee and the Office of the Board of Directors is decided annually by the Board of Directors.

22.2. Depending on the decision of the Board of Directors, members of the Subcommittees may be paid remuneration for their duties and work in the Subcommittee.

## **CHAPTER VI**

### **EXECUTIVES OF THE COMPANY**

#### **Article 23. Standards of the persons in charge of corporate governance**

23.1. The number and term of the person in charge of corporate governance shall be complied with the provisions of Clause 1, Article 56 of the Company Charter.

23.2. In addition to the criteria prescribed in Clause 2, Article 56 of the Company's Charter, the persons in charge of corporate governance must meet the following additional criteria, unless otherwise decided by the Board of Directors:

- a. Not to be the spouse, fathers, fathers, fathers, fathers, fathers, foster children, brothers, sisters or siblings of members of the Board of Directors, General Directors, and other executives;
- b. Not being concurrently acting as a member of the Board of Directors, General Director and Executive of other enterprises operating in the jewelry manufacturing and trading, and business sectors in which PNJ is operating.

#### **Article 24. Selecting, appointing and removing the person in charge of corporate governance.**

24.1. The Board of Directors selects a person in charge of corporate governance among the candidates, proposed by a member of the Board of Directors, who meets the criteria specified in Clause 2, Article 56 of the Company's Charter. Profile and commitments of candidates must be sent to members of the Board of Directors at least three (3) days before the date of the meeting to select the person in charge of corporate governance.

24.2. The Board of Directors appoints the person in charge of corporate governance by decision of the Board of Directors at the meeting.

24.3. The Board of Directors dismisses the person in charge of corporate governance according to the decision of the Board of Directors in accordance with the provisions of law, the Company Charter and this Regulation, and not contrary to the provisions of the labor law. The person in charge of corporate governance can be dismissed when one of the following occurs.



- a. No longer qualified to be the person in charge of corporate governance as provided in the Company Charter and these Regulations;
- b. Failing to complete the assigned tasks; or fail to exercise their rights and obligations within three (3) consecutive months, except for force majeure;
- c. Seriously or repeatedly violating the obligations of the person in charge of corporate governance stipulated in the Law on Enterprises, the Charter of the Company and this Regulation;
- d. Sending a written letter of resignation to the Board of Directors and being approved;
- e. In compliance with the decision of the Board of Directors.

24.4. The Board of Directors announces the appointment, dismissal of persons in charge of corporate governance in accordance with the law on securities and publishes the decision on the appointment and dismissal of the person in charge of corporate governance on the website of the Company within twenty-four (24) hours from time the Board of Directors approves.

#### **Article 25. Rights and obligations of the person in charge of corporate governance**

25.1. The person in charge of corporate governance shall have the rights and obligations under the provisions of Clause 3, Article 56 of the Charter of the Company; and other rights and obligations decided by the Board of Directors when he/she is appointed.

25.2. The person in charge of corporate governance does not have the right authorize another person, including his/her assistant, to perform the rights and obligations stipulated in the Company charter, and this regulation; excepting cases approved by the Board of Directors.

## **CHAPTER VII**

### **THE COORDINATION BETWEEN THE BOARD OF DIRECTORS, AUDIT COMMITTEE AND GENERAL DIRECTOR**

#### **Article 26. Principles for coordination of managing, operating, controlling and monitoring**

26.1. Board of Directors manages of the Company; to direct, control, and supervise the activities of the General Director, and the executives of the enterprise. General Director manages daily operating activities of the Company. The management, administration, control shall be implemented in accordance with the provisions of the Charter of the Company, this Regulation and the other internal management regulations of the Company.

26.2. The Board of Directors, Subcommittees of the Board of Directors, members of the Board of Directors do not interfere with and obstruct the management of the General Director and the company executives. When the Board of Directors or General Director issues a decision or sign any document that clearly violated the law, the Company's Charter, this Regulation and other internal management regulations, the Board of Directors has the right to request General Director to suspend the decision or document. If the General Director or the company executives does not execute, the Board of Directors has the right to convene a meeting of the Board of Directors to consider the responsibilities of the General Director or the company executives and must

proceed with the necessary legal procedures to claim compensations if the actions of the General Director or the operator of the business cause damage to the Company.

26.3. The resolutions and decisions of the Managing Board that have been promulgated are enforceable for the General Director and the executives of the Company. If there is disagreement with the decision of the Board of Director, General Director or executives of the company must send a written protest to the Board of Director and Supervisory Board before taking another course of actions in accordance with the provisions of Company Charter, this Regulation and other internal management regulations of the Company.

## **Article 27. The procedures, orders for coordination of activities between the Board of Directors, Audit Committee and General Director**

27.1. The procedures, orders for coordination of activities between the Board of Directors and Audit Committee:

- a. The Board of Directors:
  - + Sending the meeting invitation and enclosed documents to the members of the Board of Directors.
  - + Sending minutes, resolutions, decisions, and related documents of the Board of Directors to the General Director and Audit Committee;
  - + Other issues that need opinions contributed by members of the Board of Directors, the members of the Board of Directors shall have to reply within five (5) days from the date of receipt of the request.
- b. Audit Committee
  - + The audit committee must report directly in writing to the Board of Directors and not be interfered with in the performance of its duties.
  - + The contents need to be consulted by the Board of Directors, the Board of Directors is responsible for responding within five (5) days from the date of receiving the request.
- c. Relationship between the Board of Directors and Audit Committee:
  - + The Audit Committee is entitled to access documents related to the Company's operations, discuss with other members of the Board of Directors, General Director, Chief Accountant and company executives for collecting information for the operation of the Audit Committee;
  - + The Auditing Committee develops and submits to the Board of Directors risk management policies, proposes to the Board of Directors solutions to handle risks arising in the Company's operations;
  - + The Auditing Committee makes a written report to the Board of Directors when it detects that members of the Board of Directors, General Director and the company executives fail to fulfill their responsibilities as prescribed in the Law on Enterprises and the company Charter;
  - + The Audit Committee develops the Regulation on Operation of the Audit Committee and submits it to the Board of Directors for approval;

27.2. Process and procedures for coordinating activities between the Board of Directors and the General Director:

a. Coordination of activities between the Board of Directors and General Director:

- In urgent cases, the Board of Directors has the right to request the General Director or the company executives to provide information on the Company's operations and send it to the Board of Directors within twenty-four (24) hours. The Board of Directors is not allowed to use the information that has not been disclosed of the Company or disclosed to others to perform related transactions.

- The contents of the Board of Directors that need the opinion of the General Director or the business operator, the General Director or the company executive must respond within three (3) days from the date of receiving the request.

- Issues under the authority of the Board of Directors approved in accordance with the provisions of law and the Charter of the Company must be responded by the Board of Directors within seven (7) days from the date proposed by the General Director or another limit time as agreed by the parties.

b. The relationship between the Board of Directors and General Director:

+ The General Director is responsible for organizing the implementation of the resolutions and decisions of the Board of Directors. Specifically:

+ Refuse to implement decisions of the Chairman, Vice Chairman of the Board of Directors or the Sub-committees of the Board of Directors if it is violate the law, the Company's Charter, this Regulation, and resolutions, decisions of the General Meeting of Shareholders and the Board of Directors, and at the same time must immediately notify the Board of Directors through the Audit Committee;

+ When executing the resolutions and decisions of the Board of Directors, the Subcommittees of the Board of Director figure out the matters which are not favorable to the companies, the Board of Directors must be reported immediately for considering and modifying the resolutions, decisions. If the Board of Directors or Subcommittees of the Board of Directors does not modify the resolution or decision, General Director shall still perform, but he/she has the right reserve his / her opinion and propose to the Board of Directors.

+ In addition to the work submitted to the Board of Directors, the General Director has the right to actively manage the operations of the Company according to the decentralized regulations and in accordance with the working process issued by the Board of Directors; to decide on handling measures beyond their authority in emergency cases such as natural disasters, enemy sabotage, fires, incidents ... but must immediately notify the Chairperson of the Board of Directors.

+ If the General Director is not a member of the Board of Directors, General Director still has right to attend the meetings of the Board of Directors, has the right to discuss and make suggestions, but shall not be entitled to vote.

+ The meetings organized by the Subcommittees of the Board of Directors in accordance with the provisions in the Regulation on organization and operation of the Board of Directors, the Head of the Subcommittee shall conclude the meeting.

+ If it is necessary, members of the Board of Directors have the right to attend meetings convened by General Director or executive Members of the Board of Directors have the right to express their opinions but can not conclude the meeting

- For the meetings the Company is invited to attend, except for by-name invitations, depending on the nature of the meeting, the General Director assigns a representative of the Company to attend the meeting.

#### 27.3. Meetings between the Board of Directors and General Director:

- The Board of Directors and General Director shall discuss with each other through the meeting at least once a quarter. According to the annual and quarterly work plans of the Board of Directors, the Subcommittees of the Board of Directors meet with the General Director at least once a quarter.

27.4. The procedures and order of convening, meeting invitations, minutes and notifying the results of meetings between the Board of Directors and General Director shall be conducted similar to the meetings of the Board of Directors stipulated in Article 12 of this Regulation.

27.5. General Director, executives have right to send a written request to convene a meeting of the Board of Directors in accordance with Article 44 of the Company's Charter.

#### 27.6. Announcing resolutions and decisions of the Board of Directors

□ All resolutions and decisions of the Board of Directors, the reports on the supervising results of General Director and executives, the reports on the evaluation of the company executive and management of the Company by the Board of Directors must be send to the General Director no later than three (3) days from the date of approval.

□ All reports, conclusions and recommendations of the Board of Directors to the General Meeting of Shareholders, in addition to the reports regulated in the Charter of the Company, must be sent to the General Director no later than seven (7) days before the date of the General Meeting of Shareholders.

#### 27.8. Relationship between the Audit Committee and the General Director

- The Audit Committee is entitled to access documents related to the Company's operations, discuss with the General Director to collect information to serve the audit committee's activities, to request the General Director to attend the meeting of the Audit Committee and participate in the meeting of the General Director if necessary.

- Make a written report to the Board of Directors when the General Director fails to fulfill his / her responsibilities as prescribed in the Law on Enterprises and the Company's Charter

- In case of arising a conflict between the Auditing Committee and the General Director, the Auditing Committee shall propose the resolution and decision of the Chairperson of the Board of Directors.

### **Article 28. Provide information at the request of members of the Board of Directors.**

28.1. Members of the Board of Directors have the right to request General Directors or executives, and managers of units in the Company to provide information and documents on financial situation and business operations of the Company and of the units in the Company in accordance with the provisions of the Company Charter and this Regulation.

28.2. If there is demand on information or documents relating to the Company's operations, in addition to the information and documents disclosed by the Company, or sent to the meetings or sent periodically, member of the Board of Directors, Supervisory Board must send the form of request by e-mail or in written to Chairperson of the Board of Director as well as head of Supervisory Board, General Director, and requested person in least five (5) days before the date scheduled to be provided. The form request must clearly state the list and format of information, documents, time of supply, address of receipt and purpose of use of information and documents requested.

28.3. Chairperson of the Board of Directors and Head of Supervisory Board have the right to exchange their opinions with the members of the Board of Directors who request the information, about the content of the request form and the method of keeping confidential the information and documents required.

28.4. Recipient of the request is required to provide promptly, fully and accurately information and documents as request of members of the Board of Directors. At the same time, members of the Board of Directors are required to directly check, sign and return information receipts with the signature of the requested persons; Including the case that information and documents are sent by registered mail to the address stated in the request form.

28.5. Right after completely provide the information, the requested person must notify Chairperson of the Board of Directors, General Director the list, the copy of content, archiving information method, provided document, time and place of information supply, and copy of the receipt within twenty-four (24) hours from the moment of receiving this form from the member of the Board of Directors.

28.6. Members of the Board of Directors must comply with the regulations on confidentiality of the Company's information at the working places, contact and exchange with lower tier of management of General Director, attend meetings of the General Director with other managers, receive the information and documents provided.

## **Article 29. The issues must be reported, provided information to the Board of Directors by General Director.**

29.1. General Director shall report and provide information to the Board of Directors on issues that are under authorities of the Board of Director in accordance with regulations in the Company's charter and this Regulation.

29.2. The General Director can report and provide information to the Board of Directors through periodical reports, thematic reports and unusual reports in accordance with the provisions of this Regulation and the forms in reporting system of the Company, or through direct reports at meetings with the Board of Directors.

## **Article 30. Reports of General Director**

30.1. General Director must report to the Board of Director periodically once a month on the implementation of the rights and responsibilities assigned in Article 52, the Charter of the Company, the resolutions and decisions of the General Meeting of Shareholders and the Board of Directors, including matters decentralized, authorized by the Board of Directors to perform. In case of necessity, the Board of Directors can request General Director to make a quick report or weekly report on some issues and matters concerned by the Board of Directors.

30.2. General Director shall create and send to the Board of Directors a report on the evaluation business performance of the Company, in the form issued by the Board of Directors, at the end of each quarter, every six months, and at the end of each financial year.

30.3. Except for report on the evaluation business performance of the Company, General Director can authorize an executive who is in the organizational management structure of the Company to make other reports in compliance with this Article. The authorization must be notified and approved by the Board of Director in advance.

30.4. General Director's reports regulated in this Article must be made in compliance with the regulations and forms of the reporting system of the Company; reflect fully and accurately the contents and issues need to be reported and sent on time.

30.5. The Board of Directors must have feedback on the implementation of the resolutions and decisions of General Meeting of Shareholders and the Board of Directors; and the issues that the Board of Directors authorizes General Director to solve.

## **CHAPTER VIII**

### **EXECUTIVES OF THE COMPANY**

#### **Article 31. Procedure, process of selecting, appointing, dismissing, removing executive of the Company**

31.1. The Board of Directors shall unanimously agree and announce the criteria for the selection of executives under authority of the Board of Directors. The standards of competence decided by the Board of Directors must be in compliance with the law, the company's Charter and internal management regulations on the Company's personnel. For General Director, the Board of Directors must comply with the provisions in Article 51, the Company's Charter.

31.2. Based on the proposal of the General Director or at least three (3) members of the Board of Directors, the Board of Directors shall appoint, dismiss, discharge, sign the labor contract, decide the salary and other benefits for executives of the enterprise in accordance with the provisions of the Company Charter, this Regulation, and the internal management regulations personnel of the Company. The Board of Directors can authorize in writing the Chairperson of the Board of Directors to decide the appointment, dismissal, or removal of a company executives. The appointment must have timely limitation and business executives can be re-appointed with unlimited number of terms, as decided by the Board of Directors.

31.3. The Chairperson of the Board of Directors is the representative of the Company to sign a labor contract with the appointed executives.

31.4. The Board of Directors decides the dismissal or removal of the General Director in accordance with the provisions of Article 53, the Company's Charter. When the Board of Directors dismisses or removes the General Director, it must appoint a person to replace the General Director until the Board of Directors selects and appoints a new General Director according to the provisions of Article 53 of the Charter of the Company.

31.5. The Board of Directors shall decide on the dismissal, removal of the executives of the Company in the following cases:

- a. Having a letter of resignation or termination of the labor contract with the Company;

- b. Failure to complete the duties in two (2) consecutive years;
- c. Attitudes and behaviors in the work process are significantly negative impact on the Company according to the evaluations of the Board of Directors and Subcommittees of the Board of Directors;
- d. Failing to meet the criteria and conditions prescribed in this Regulation, or violating the regulations on the rights and obligations of the enterprise executive as regulated in the Company's charter, this Regulation, and other internal management regulations of the Company;
- e. The title no longer exists as the consequence of change in organizational structure of the Company in compliance with resolutions of the Board of Directors.

31.7. The Board of Directors shall announce the appointment, signing of labor contracts, dismissal and removal of executives in compliance with the provisions of the law on securities.

### **Article 32. Responsibilities and obligations of authorized representatives of the Company in other organizations**

32.1. The authorized representatives of the company in other organization have responsibilities and obligations regulated in the provisions of Article 57, the Company Charter.

32.2. If there are more than one authorized representative of the Company in another organization, the head of the authorized representatives shall be responsible for organizing the performance of the obligations of the authorized representatives stipulated in Clause 2 and 3, Article 57, the Company Charter.

32.3. For issues, according to the regulations of the Board of Directors, consultation of the Board of Directors must be consulted before voting at another organization, the authorized representative of the Company must submit a reference document, giving opinions to the Chairperson of the Board of Directors at least seven (7) working days before the expected date of voting on such issue. The authorized representative of the Company at another organization must vote on the consulted issues according to the decision of the Board of Directors of the Company and must send a written report on voting results within three (3) working days from the date the vote is taken at another organization.

## **CHAPTER IX**

### **RELATED PERSONS AND PARTIES WITH RELATED INTERESTS**

#### **Article 33. Publishing the list of related persons and related interests**

33.1. The Company publishes the list of related persons and interests in compliance with the provisions of Article 59 of the Company Charter

33.2. If there is need for consideration, extraction and copy a part or the whole declared content provided in Clause 1 of this Article; shareholders, authorized representatives of shareholders, members of the Board of Directors, executives must send written requests to Chairperson of the Board of Directors and General Director at least three (03) days before the expected date of receiving the response. The request form must clearly state the information of the person who made the request, declared content and period of time need to be considered, extracted and copied.

33.3. The person who made the request is arranged and notified by the Board of Directors in the fastest way about appropriate time during working hours of the Company and at the head office of the Company for consideration, extraction, copy declared content stated in the request form. In case of copying, the requester must initial on each copy of declared content. The Board of Directors will retain one (01) copy of the declared content with the signature of the requester on it.

33.4. The requester of consideration, extraction, copy declared content at this Article must comply with related regulations on information confidential of the Company.

33.5. Opinion of requester, if any, about the declared content must be notified by the Board of Directors to the Supervisory Board and the General Director as soon as possible.

#### **Article 34. Transactions with related parties.**

34.1. Contracts, transactions with the related parties must comply with the provisions of Clause 9, 10 and 11, Article 59 of the Company Charter. When conducting transactions with relevant parties, the Company must sign written contracts on the principle of equality and voluntary. The content of contracts must be clear, specific, and disclosed to shareholders upon request.

34.2. The Company applies necessary measures to prevent related parties from interfering in the Company's activities and harming the Company's interests by controlling the Company's sales channels and manipulate the price.

34.3. The Company applies the necessary measures to prevent major shareholders and related parties from conducting transactions that result in loss of capital, assets or other resources of the Company.

#### **Article 35. Responsibility for being honest and avoiding conflicts of interests of members of the Board of Directors, General Directors, and the company executives**

35.1. Members of the Board of Directors, General Director, executives of company must declare related persons and interests in compliance with the provisions of the Law on Enterprise, Law on Securities, the Company Charter, and this Regulation.

35.2. Members of the Board of Directors, General Director, the company executives must notify the Board of Directors the transactions between the Company, subsidiaries, entities controlled by the Company with that members or persons related to that members. The Company must publicize information about resolutions of the General Meeting of Shareholders or the Board of Directors which have approved these transactions within twenty-four (24) hours on the Company's website and report to the Ho Chi Minh City Stock Exchange, State Securities Commission.

35.3. Members of the Board of Directors are not allowed to vote for transaction that they or their related parties involve in, including transactions that their material or nonmaterial benefits have not been defined.

#### **Article 36. Ensuring the legal rights of stakeholders of the Company**

36.1. The Company must respect the legitimate interests of related parties of the Company, including banks, creditors, employees, consumers, suppliers, the community, and others.

36.2. The Company need to actively cooperate with stakeholders:



a. Providing sufficient information to banks and creditors to help them evaluate the Company's performance and financial situation, and make decisions.

b. Encouraging stakeholders to express their views on the business situation, financial position, and important decisions that related to their interests through direct contact with the Board of Directors and General Director.

36.3. General Meeting of Shareholders, Board of Directors, General Director and executives of the Company always respect and ensure rights and interests of the employees of the Company; always consider interests of workers in any decisions. In case of necessity, the General Meeting of Shareholders, Board of Directors, General Director may consult with employees or organization that represents for employees before making any decisions.

36.4. The Company must comply with all the regulations on labor, environment, society; have responsibilities to the community and society.

## **CHAPTER X**

### **DISCLOSURE OF INFORMATION**

#### **Article 37. Regular disclosure**

37.1. The Company must disclose completely, accurately, and timely the periodic and extraordinary information about business activities, financial position and management activities of the Company to shareholders and the public. Information and method of information disclosure is conducted in complied with the Law on Securities. In addition, the Company must disclose timely and sufficiently other information if such information is likely to affect the stock price and the decisions of shareholders and investors.

37.2. The disclosure must be provided in a manner which ensures fair and equitable access to shareholders and the public. Languages in the disclosure should be clear, understandable, and avoid misleading shareholders and the public

#### **Article 38. Disclosure of corporate governance activities**

38.1. The Company must disclose corporate governance information at the Annual General Meeting of Shareholders and in the annual report of the company in compliance with the Law on Securities.

38.2. The Company is obligated to report periodically in every six (6) months and disclose information on corporate governance in compliance with the Law on Securities.

#### **Article 39. Responsibility for reporting and disclosure of members of the Board of Directors, General Directors, executives of the Company**

In addition to the responsibilities prescribed in Article 36 of this Regulation, members of the Board of Directors, General Director, and company executives are responsible for reporting and disclosing information on transactions in the following cases:

39.1. Transactions between the Company and the company in which the above members are members, founder or managers of the company during the last three (3) years before the time of the transaction.

39.2. Transactions between the Company and the company in which the related person of the above members is a member of the Board of Directors, the General Director or a major shareholder.

## **CHAPTER XI**

### **OTHER ISSUES**

#### **Article 40. Annual evaluation of members of the Board of Directors, General Director, and executives of the Company**

##### **40.1. Evaluation on performance:**

a. The Board of Director is responsible for building content, criteria, and method of effective assessment of each member of the Board of Directors, General Director, and executives of the Company.

b. Based on the Company's detailed annual business plan, the Board of Directors, Supervisory Board, and General Director will make decisions, at the first meeting of fiscal year, on the content, criteria, and assessment method of the positions under their decisive jurisdiction. The implementation of evaluation of the Board of Directors are carried out by an professional expert method and the final result is the average of evaluation results of each member of the Board of Directors.

c. Procedures and order of conducting meetings on evaluating performance and publicizing the results of evaluation on performance of the members of the Board of Directors is specifically stipulated in the Regulation on Organization and Operation of the Board of Directors,

d. The evaluation performance of the General Director and the company executives is carried out based on the labor contract and other internal management regulations of the Company and is executed within sixty (60) days from the end of a fiscal year.

##### **40.2. Reward and discipline:**

a. The Board of Directors applies rewards in form of public document, whether or not accompanied with cash is depended on the performance of members of the Board of Directors, General Director and executives. The budget for reward is from the performance reward fund of the Board of Directors according to the resolution of the Annual General Meeting of Shareholders.

b. The Board of Directors apply discipline in form of public document with the highest discipline is to propose the dismissal to the General Meeting of Shareholders.

c. Forms of reward and discipline, procedures and order for organizing commendation meetings and announcing reward and discipline results for members of the Board of Directors are specifically stipulated in the Regulation on Organization and Operation of the Board of Directors.

d. The rewards and disciplines for the General Director and executives are complied with the labor contract and other internal management regulations of the Company.

#### **Article 41. Apply good corporate governance practices in line with international**

41.1. Members of the Board of Directors, General Director, and executives must attend basic corporate governance training courses at reputable training institutions.

41.2. The Company organizes activities to improve the knowledge on corporate for members of the Board of Directors, General Director, executives; and make an effort to apply good corporate governance practices for listed company in line with international standards.

#### **Article 42. Supplement and amendment of this Regulation**

42.1. The amendment and supplement of this Regulation must be considered and decided by the General Meeting of Shareholders.

42.2. If there are provisions of law which is related to corporate governance have not mentioned in Charter of the Company and this Regulations; or if there is new provision of law or the Company's Charter is different from this Regulation, the provision of that law will be applied.

#### **Article 43. Effectiveness**

43.1. This Regulation consists of 11 chapters, 43 articles which are unanimously approved by the General Meeting of Shareholders and come into effect from date .... month .... year .....

This Regulation supersedes and cancels the Internal regulations on corporate governance issued ..... date April 16<sup>th</sup>, 2022. This Regulation replaces and terminated the Corporate Governance Regulation issued on April 17<sup>th</sup>, 2021.

43.2. This Regulation is unique and official of the Company, is made up of five (5) copies with equal validity.

43.3. Copies or extracts of this Regulation are only valid when they are signed by Chairperson or Vice-Chairperson or the legal representative of the company or certified by the authorized State agencies.

**CHAIRWOMAN  
OF THE BOARD OF DIRECTORS**

**CAO THI NGOC DUNG**