

# ANGIA

## INTERNAL REGULATIONS ON CORPORATE GOVERNANCE

OF

AN GIA REAL ESTATE INVESTMENT AND DEVELOPMENT CORPORATION



**INTERNAL REGULATIONS ON CORPORATE GOVERNANCE**  
**OF AN GIA REAL ESTATE INVESTMENT AND**  
**DEVELOPMENT CORPORATION (“COMPANY”)**

*(Issued under the Resolution of the General Meeting of Shareholders  
No. 17/2020/NQ-AGI on June 24<sup>th</sup>, 2020)*



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- Pursuant to Law on Enterprises no. 68/2014/QH13 dated November 26<sup>th</sup> 2014, coming into effect on July 1<sup>st</sup> 2015 and the guidelines;
- Pursuant to Decree no. 71/2017/NĐ-CP dated June 6<sup>th</sup> 2017 issued by the Government pertaining to the corporate governance of public companies;
- Pursuant to the Charter of An Gia Real Estate Investment and Development Corporation ratified by the General Meeting of Shareholders ("Charter"),

**I. The sequence and procedures for inviting and voting at the General Meeting of Shareholders ("GMS" or "the Meeting")**

**1. Announcement of the official list of shareholders entitled to attend the GMS**

- Disclose information about the listing of Shareholders entitled to attend the GMS at least twenty (20) days before the final registration date on the website of the State Securities Commission, Stock Exchange and Company.
- The list of Shareholders entitled to attend the GMS is made no earlier than ten (10) days before the date of sending invitations to the shareholders.

**2. Invitation to the General Meeting of Shareholders**

- The invitation must be sent to all shareholders in the Shareholder's list at least ten (10) days before the opening day of the GMS, counting from the date on which the invitation has been validly sent or delivered, on which the postal charge is paid, or on which the invitation is put into the mailbox.
- The agenda of the GMS and documents relating to the issues voted at the meeting shall be sent to the Shareholders and/ or be published on the website of the Company. In case where no documents is attached with the notice of the meeting of the General Meeting of Shareholders, then the notice inviting to the meeting shall specify the website address linking to such documents.
- A Shareholder or Group of Shareholders, as stipulated in Para 12.3 Article 12 of the Charter can propose issue(s) to be discussed in the agenda of the GMS, must submit the proposal together with the materials justifying the number and duration of holding stocks, and the unified report on the proposal of the shareholder group. The proposal must be made in writing and sent to the Company at least three (03) working days before the starting of the GMS.

The proposal contains full names of the Shareholders, amount and type of shares held by them, and the issues proposed to be discussed in the agenda.

**3. Registration for the General Meeting of Shareholders**

**3.1. With respect to offline meeting**

- Shareholders, or Authorized attendees can register via email, but they must bring along and present the invitation, personal identification, authorization letter and other documents that are necessary for the registration at the GMS.
- The procedure of authorization: Shareholder(s) shall issue the written authorization for Authorized attendee to participate in the meeting following the Company's template, with the invitation letter attached. Shareholder(s) can submit the authorization letter to the Organizing Committee before the opening day of the GMS.

### 3.2. With respect to online meeting

- The Company might convene an online GMS and give notice of such form of meeting through the invitation sent to the shareholders.
- The shareholders, Authorized attendees shall make registration to participate the online Meeting through the programs, softwares, or applicable IT services decided by the Company. The registration how-to shall be given in details and attached to the invitation.

## 4. Voting procedure

- Unless specified otherwise, when conducting the registration, the company shall issue to each shareholder or Authorized attendee voting card(s), on which there shall be the registration number/code, full name of the Shareholder, full name of the Authorized attendee (if any) and the number of votes to be held by such shareholder.
- The content of the Voting card depends on the agenda of the GMS. The form and content of the Ballot paper are as stipulated in the Regulation on organization and voting at the GMS.
- When voting at the Meeting, the shareholders shall cast the vote using voting cards under the guidance of the Board of Voting.
- Shareholders shall place voting cards in a sealed box or cast their votes via online voting or any other electronic voting means so that the Board of Voting can count the votes cast.
- The Company shall obtain the opinions, votes of shareholders with great effort through electronic means (if possible) and/or direct voting at the meeting. In case of online GMS, e-voting card will be issued to shareholders. E-voting card is of the same validity as paper voting card.
- Regarding the issues to be voted upon at GMS through show-of-hand: the Board of Voting will issue another voting form for the shareholders/Authorized attendees to cast their votes under the guidance of Board of Voting.
- Other regulations regarding online GMS will be explained upon being applied by the Company.

## 5. Vote Counting

- The GMS shall elect for the Board of Voting at the request of the Meeting Chairman. The



Board of Voting will establish their support team.

- For remote voting, The Board of Voting shall check the condition of the sealing, the adequacy of the attached documents. Remote voting cards are counted along with the voting cards to be issued at the GMS.
- The voting cards shall be classified according to the status of "affirmative/in favour", "negative/against", "abstention". The total result of each status will be divided by the total amount of voting rights issued to determine the percentage of each status.

The Company endeavors to apply the counting of votes by electronic software, barcode scan in order to prevent errors.

- The Board of Voting will assign a member to supervise the vote counting process and results. All members of the Board of Voting must sign the voting result minute.

**6. Vote counting result announcement**

- Head of the Board of Voting will announce the result after having counted the votes.
- The vote-counting minutes must be published on the website of the Company within twenty-four (24) hours from the ratification of the resolution of the GMS.

**7. Opposing the decision of the General Meeting of Shareholders**

- When opposing the decision of the GMS, shareholder(s) must shall proceed in written, which bears their full name, registration code, and reasons for the opposition.
- The opposition document will be delivered to the secretary of the GMS.
- Shareholders voting against the resolution on the reorganization of the company or/and on the change of the rights and obligations of shareholders stipulated in the Charter have the right to request the Company to buy his/her shares. The request must be in writing, in which clearly states the name and address of the shareholder, the amount of shares for each type, the expected selling price and the reason for requesting the company to buy. The request must be sent to the Company within ten (10) days from the day on which the GMS ratified the resolution regarding the reorganization or the change of the rights and obligations of shareholders stipulated in the Charter.

**8. The General Meeting of Shareholders minutes preparation**

- The GMS must be documented, recorded and archived in various electronic forms. The meeting minutes made in Vietnamese and English shall contain the following major contents:
  - a. Company's name, address of the head office, business registration number;
  - b. Time and venue of the GMS;

- c. Meeting agenda and the issues;
  - d. Full names of the Meeting chairman and Secretary;
  - e. Summary of the meeting's progress and opinions expressed at the GMS on each issue in the agenda;
  - f. Number of shareholders and total number of votes, annex list of registered shareholders, authorized attendees participating in the meeting with the corresponding number of shares and votes;
  - g. The total number of votes for each issue, in which clearly states the voting method, the total number of valid, invalid, affirmative, negative and abstention votes, and the corresponding proportion of the total number of votes of the shareholders participating the meeting;
  - h. The issues that have been ratified and the corresponding proportion of affirmative votes;
  - i. The signatures of the Meeting chairman and the Secretary.
- The minutes recorded in Vietnamese and English are of equal validity. In case of any differences between the minutes' content in Vietnamese and that in English, the Vietnamese version shall prevail.
  - The minutes of the GMS must be prepared and approved before the end of the meeting. The Chairman and the Secretary shall be jointly responsible for the truthfulness and accuracy of the minutes' content.
  - The minutes of the GMS's meeting must be published on the website of the Company within twenty-four (24) hours from the date the GMS's resolution is ratified.
  - The minutes of the GMS shall be considered as authentic evidence of the work conducted at the GMS unless an objection to the content of the minutes is validly made under the regulatory procedure within ten (10) days from the date the minutes are sent.
  - The Meeting Minutes, annex list of the registered shareholders, authorized attendees with their signatures, the authorization letters to participate the meeting and related documents must be kept at the head office of the Company.
- 9. The Resolution of the General Meeting of Shareholders announcement**
- The Resolution of the GMS must be disclosed on the website of the company within twenty-four (24) hours from the date of issuance.
- 10. Collecting absentee ballots from the General Meeting of Shareholders**
- The procedure for collecting absentee ballots from shareholders shall be carried out in



accordance with Article 22 of the Charter after the issuance of the resolution from the Board of Directors ("BOD").

- In this case, the BOD will establish a Board of Voting. The committee shall consist of: the Chairman, Independent members and one member from the Secretary Committee. Among whomst, the Chairman shall be the Head.
- Cases where collecting the absentee ballots is not allowed: none.

## **II. Standing, nominating for election, voting, dismissing and removing members of the BOD**

### **1. Requirements to be the BOD's members**

In addition to the conditions and standards prescribed by law, BOD's executive members, BOD's non-executive members and BOD's independent members still need to fulfill the following requirements:

- The merits one needs to be the BOD's members:
  - Having leadership skill with integrity, responsibility, maturity, and ethic; winning the trust of shareholders, other Board members, managers, and employees of the Company;
  - Having the ability to balance the interests of all stakeholders and make sound judgements;
  - Having professional expertise and education needed to work sufficiently;
  - Having great communication skill.
- The independence of a independent BOD member is fulfilled only when that member satisfies the following conditions:
  - Such member is not a related person of the General Director, Executive Officers, Chief Accountant or any other manager appointed by the BOD;
  - Such member is not a member of BOD, Executive Officers of any subsidiary company, affiliated company or company controlled by the Company;
  - Such member is not a shareholder holding more than one percent (1%) of share or the representative of any major shareholder or a related person of any major shareholder of the Company;
  - Such member has not worked in any organization providing legal advice or auditing services to the Company for the last two (02) years;
  - Such member is not a partner or a related person of any partner who entered into a transaction with the Company, the value of which accounts for thirty percent (30%) or

more of the total revenue or the total value of goods or services purchased by the Company for the last two (02) years;

- Such member is not the person who is receiving salaries or remunerations from the company, except for the remuneration to be enjoyed by the BOD's members according to regulations;
- Such member is not the person whose spouse, birth father, adoptive father, birth mother, adoptive mother, birth children, adopted children, blood brother, blood sister is a mayor shareholder of the company; the manager of the company or its subsidiary;
- Such member is not the person who is working for the Company or its subsidiary; used to work for the company or its subsidiary for the last three (03) consecutive years;
- Such member is not a former member of the BOD or Board of Supervisors of the company for the last five (05) consecutive years.

**2. Methods by which shareholders, groups of shareholders stand for election or nominate candidates for the BOD**

Shareholders or groups of Shareholders holding the number of shares (up to the time of closing the list of shareholders) satisfying Section 12.3, Article 12 of the Charter shall be eligible for candidacy and nomination when filing as follows:

- **The information of candidates includes:**
  - Full name and date of birth;
  - Educational background;
  - Professional expertise;
  - Professional experience;
  - Other companies' BOD's memberships or other managerial positions held by the candidate;
  - Relationship with Related Persons;
  - Relationship with major business partners of the Company;
  - Information relating to the financial status of the candidate and other circumstances that may affect the duties and independence of the candidate as a BOD's member.
- With respect to groups of shareholders: full list of nominated groups of shareholders; proof of full and continuous stock holding for 6 months; written agreement of the group of shareholders on the nomination of members of the BOD.



- Candidates of the BOD will send a written commitment on the truthfulness, accuracy and reasonableness of the personal information provided and commit to perform the task honestly if elected as a member of the BOD.
- The application will be delivered to the Head Office of the company.

### **3. Procedure for the election of members of the BOD**

- The election of the BOD's members is carried out by the method of cumulative voting whereby each shareholder has the total number of votes corresponding to the total number of shares multiplied by the number of elected members of the BOD and the Shareholders have the right to place all their votes in one or more candidates.
- Shareholders can distribute the number of votes for each candidate according to the specific number of votes or ratio or equally distribute to the selected candidates.
- Shareholders select candidates by leaving the names of the candidates selected and crossing off the names of candidates not selected. The number of candidates selected should not exceed the designated number of BOD's members to be voted for.
- Based on the approved number of BOD's members, the GMS will base on the percentage of votes casting from high to low, starting from the candidate with the highest number of votes until enough members are elected and minimum number of BOD's independent members shall be ensured to be in accordance with the law and the Charter.
- In cases where there are not enough members or independent members of the BOD, the GMS will re-elect until the required number of members is fully reached.

### **4. Cases of dismissal and removal of the members of the BOD**

- The dismissal and removal of the members of BOD are described in Section 26.2, Article 26 of the Charter.
- If a member of the BOD is disqualified and/or is legally incompetent under the provisions of the applicable law, the Charter and this Regulation, the BOD will be responsible for gathering evidences, information; make a report and reach a decision through voting.

### **5. Notice of the election, dismissal or removal of members of the BOD**

As for any changes relating to the election, dismissal or removal of members, the BOD shall carry out procedures for reporting information changes of the manager of the enterprise under the law of enterprise and disclosure of information under the Law on Securities.

### **6. Procedure for introducing candidates for the BOD**

- Shareholders, groups of shareholders will nominate candidates for the BOD in accordance with the requirements and conditions mentioned in Section 1 and 2. All necessary documents and information shall be delivered to the BOD.



- The BOD shall disclose information about candidates in accordance with the law depending on the availability of candidate information
- In case the number of BOD's candidates through nomination and election is still insufficient, the current BOD will introduce more candidates according to the following mechanism:
  - Recommended by the shareholders and passing the evaluation process.
  - The present BOD will announce the procedures for introducing BOD's candidates to the GMS for approval before nominating candidates in accordance with the law.

### **III. The sequence and procedures for holding the BOD's meetings**

#### **1. Notice of the BOD's meeting**

- The notice of the BOD's meetings shall be sent to the BOD's members by the Person in charge of Corporate Governance via the e-mail address that have been registered in advance at the Company.
- The notice of the BOD's meetings shall specify the meeting agenda, the time and venue, the necessary documents on the issues discussed and voted at the meetings, the absentee ballots for the BOD's members that cannot attend the meeting, and shall be presented in Vietnamese and English.
- The BOD's members may refuse the meeting invitation or a part of the meeting agenda by sending an email to the BOD.

#### **2. Conditions for a BOD's meeting to be held**

- The meetings of the BOD shall be convened when there are at least three quarters (3/4) of the total number of the BOD's members attending directly or in another form under Section 30.8 Article 30 of the Charter.
- Unless otherwise agreed, in case a quorum is not present as prescribed, the meeting must be held for the second time within seven (07) days from the intended date of the first meeting. The second meeting will be continued if more than half (1/2) of the BOD's members attend the meeting.

#### **3. Method of voting**

- Apart from the provisions in Section 30.7, Article 30 of the Charter, the BOD's members may send their voting ballots to the meeting by mail, facsimile or e-mail. Voting ballots shall be opened/submitted only in the presence of all participants.
- During face-to-face meetings or online meetings, the BOD's members will vote verbally or show-of-hand on each issue after the Chairman raises the issue and concludes the discussion. Voting status can be affirmative, negative, abstention.

#### **4. Procedure for the ratification of resolutions of the Board of Directors**

- The BOD adopts decisions and issues resolutions under the majority principle, which means more than fifty percent (>50%) of the members attending the meeting agree. In case the number of votes for and the number of votes against are equal, the Chairman shall have the deciding vote.
- The ratification of resolution reached through collecting absentee ballots is adopted based on the majority principle. The resolution shall have the same validity as the one to be ratified at the meeting.

#### **5. The BOD's meeting minutes**

- The Person in charge of Corporate Governance (the Secretary Committee) of the Company shall record the progress of the BOD's meeting in a sufficient, detailed and clear manner. The Person in charge of Corporate Governance can record the meeting to ensure the accuracy of the meeting's content, progress, and results.
- A meeting minute shall be completed immediately after each meeting and to be signed by all participants. The official meeting minutes will be completed within five (05) working days from the closing date of the meeting. The minutes written in Vietnamese and English are of equal validity. In case of any differences between the content in Vietnamese and that in English, the Vietnamese version shall prevail.
- Minutes of the BOD meetings will be archived for ten (10) years.

#### **6. Announcement of the BOD's resolutions**

- Based on the content, decisions approved by the BOD, the Chairman will sign the BOD's resolutions on behalf of the Board.
- These resolutions will be sent to all members of the Board via email or postal service.
- The content of resolutions which requires disclosure of information shall be disclosed according to the provisions of law.

### **IV. Establishment and operation of Board of Directors' sub-committees**

#### **1. The sub-committees under the Board of Directors**

The Board of Directors establishes the Audit Sub-committee, Strategy Sub-committee to support the BOD's activities.

#### **2. Structure of the sub-committees**

- The number of members for each Sub-committee is determined by the BOD on a case-by-case basis, but it is required to have at least three (03) members.

- Members of a Sub-committee are not required to be members of the BOD. In each committee, there are at least two members of BOD and at least one member must be an independent or a non-executive member of BOD. The Head of each Sub-committee must be a member of the BOD.
- The number of non-BOD members shall not exceed that of BOD members in each sub-committee.

### **3. The establishment of the sub-committees**

- The establishment of the sub-committees must be approved by the GMS. BOD shall ratify content regarding to authorities, procedures and reports of subcommittees.
- The members of the Sub-committees and the Heads of the Subcommittee shall be decided by the BOD based on their expertise and experience. Members of the Sub-committee who are non-BOD members are selected by the Head of the sub-committee and approved by the BOD.

### **4. Responsibilities of the sub-committees and their members**

#### **4.1. Strategy Sub-committee**

##### *a. Roles;*

- Approve the vision, missions and long-term strategic goals;
- Follow up on long-term strategies, mid-term and short-term business plans;
- Provide guidelines for business development;
- Maintain relationships with strategic partners;

##### *b. Responsibilities*

- Approve annual business plans;
- Re-evaluate strategies and business plans of the real estate market, the company's competitive advantages, environment and resources;
- Measure, scrutinize the execution of strategies in different perspectives;
- Balance the interests of the Company and the interests of stakeholders;
- Approve annual dividend policy;

#### **4.2. The Audit Sub-committee**

##### *a. Roles:*



The Audit Sub-committee under BOD (hereinafter referred to as Audit Sub-committee) is responsible for assisting the BOD to supervise the following issues:

- Financial reports;
- Internal audit;
- External audit services;
- Internal control and risk management;
- Other compliance issues.

*b. Authority:*

Pursuant to the Company's Charter and the Internal Regulations on Corporate Governance, the Audit Sub-committee is allowed or requested to execute obligated issues (refer to Article 5 for more information). Specifically, the Audit Sub-committee is entitled to:

- Review and report on issues requested by the BOD and/or Shareholders, Groups of Shareholders in accordance with the law;
- Propose independent audit service company, audit fee for approval from the BOD or GMS depending on the authority;
- As per the agreement with the General Director, approve the recruitment, nomination and evaluation for the Head of Internal Audit.
- Approve annual internal audit plan;
- Access to documents (papers, reports, data...) and personnel with no limitation within their responsibilities;
- Work with Executive Officers to discuss, advise on issues regarding to the roles and responsibilities of the Audit Sub-committee;
- Request for external advisory services in order to complete assigned tasks;

*c. Structure of the Audit Sub-committee:*

- The Audit Sub-committee has at least three (03) members appointed by the BOD among the members with their term coinciding with the term of the BOD. In any case, the term of the member ends along with the end of the term of the BOD.
- There shall be no more than one (01) BOD executive member in the Audit Sub-committee. The remaining members shall be non-executive members.
- At least one member of the Audit Sub-committee has financial, accounting or audit

experiences.

- Head of Audit Sub-committee is an independent BOD member and assigned by the BOD.
- If required, the Head of Audit Sub-committee can request the BOD to appoint members who are not members of the BOD.
- Secretary for Audit Sub-committee is also the Company Secretary or personnel assigned by the BOD.

d. *Operating mechanism*

- Members of the Audit Sub-committee can be assigned to be in-charge of one or many particular fields and are responsible for the assigned jobs. The Head of Sub-committee assigns specific duties for members based on ability, expertise of each member as well as audit plans.
- The Head of Audit Sub-committee is responsible for annual, quarterly audit plans in terms of plan implementation and supervision.
- The Executive BOD member in Audit Sub-committee (if any) is precluded from interfering or voting on particular issues of which he/she is in-charge.
- Member of Audit Sub-committee who is not member of the BOD is precluded from voting on particular issues for which Audit Sub-committee is responsible for;
- Audit Sub-committee works under the voting by majority mechanism. When an issue has an equal number of votes, the side of the Head of Audit Sub-committee will be the deciding opinion;
- Meetings of Audit Sub-committee:
  - In principle, only members of Audit Sub-committee are invited to a meeting of the Audit Sub-committee. However, Audit Sub-committee is able to invite an attendee who is not member of the committee (such as Executive Officers, Head of Risk management, Head of Internal Audit or External Auditor...) if necessary.
  - Meetings shall be organized at least 04 times every year concurrently with the Company's financial statement.
  - Head of Audit Sub-committee organizes meetings or exchanges individually with each member in order to discuss specific topics.
  - Depending on the work assigned, members of the Sub-committee may request a private meeting with members of Executive Officers. In this case, the member must report the result to the Head of Sub-committee in order to follow-up and monitor.

- Depending on the content and actual conditions, meetings and discussions can be conducted through direct contact, video conference, conference call or via email, chat messenger.
- Company Secretary shall assist the Sub-committee meetings in:
  - ✓ Meeting preparation;
  - ✓ Sending meeting schedules and materials to Sub-committee members within a reasonable time before each meeting;
  - ✓ Recording meeting minutes.
  - ✓ Issuing meeting resolution (if any).

e. *Responsibilities*

Audit Sub-committee is responsible for the following duties:

Financial statement:

- Reviewing the quarterly, semi-annual and annual financial statements before the General Director submits them to the Board of Directors, the GMS or disclose information in accordance with the applicable law; evaluating on the honesty, transparency and appropriation of the financial statements with the Accounting Regime, Accounting Standards and the applicable legal provisions;
- Reviewing key issues on accounting and financial reports; evaluating the influence of the applicable law on accounting and finance on the financial statements;
- Discussing and reviewing the results of audited financial statements with the Chief Financial Officer, Chief Accountant and External Auditor;
- Examining the management letter of the External Auditor; discussing with the Executive Officers on the key findings, key recommendations and implementation plans.
- Monitoring and evaluating the internal control system relating to the preparation of accounting reports and financial statements.

Internal Audit:

- Supervising and managing internal audit activities prescribed as follows:

The General Director is in charge of the internal audit activities in terms of administrative aspect by:

- ✓ Managing daily activities of Internal Audit;
- ✓ Guaranteeing the functionality of the Internal Audit's activities;



- ✓ Supporting Internal Audit with their tasks to the best efforts;
- ✓ Proposing structure, personnel, budget for Internal Audit;
- ✓ Proposing for recruitment, appointment, salary, bonus and remuneration for the Head of Internal Audit.
- Annually reviewing the efficiency of External Auditor to propose to the BOD in order to appoint, reappoint or terminate the External Auditor;
- Deciding on the audit and other audit counselling service fees (if any)
- Evaluating, ensuring that there is no conflict of interest between the audit service and audit counselling service (if any) provided by the independent auditor;
- Reviewing the audit plan proposed by the external auditor, including: audit scope, audit time, audit methods & tools, auditing team; coordination with internal audit (if any);
- Periodically or irregularly, the Audit Sub-committee and Independent Audit discuss on issues that the Committee or Independent Audit deems necessary.

#### Internal Control and Risk Management:

- Monitoring and evaluating the internal control system, risk management system (including: culture, framework, policy, process, reporting, monitoring ...);
- Reviewing independent audit reports, internal audit; evaluating the internal control system, risk management (including issues related to financial statements and information technology), especially key findings, recommendations and feedbacks from Executive Officers.
- Periodically or irregularly, the Audit Sub-committee and the Head of Internal Audit and/or Head of Risk Management conduct discussions on issues that the Committee deems necessary.

#### Compliance:

- Monitoring the effectiveness of activities, solutions in order to comply with the provisions of law, codes of conduct and work ethics;
- Discuss with the General Director and/or the Executive Board members about the company's prevention against fraud, violation of work ethics and the laws;
- Reviewing results, reports (periodically or irregularly) of violation and fraud investigations conducted by the Executive Board; monitoring the post- investigation improvements.

#### Obligation to report and exchange information:

- Quarterly and annually, the Audit Sub-committee is responsible for reporting to the BOD on its activities, key issues to be addressed and relevant proposals;
- Reporting on issues requested by the BOD and/or Shareholders, Groups of Shareholders in accordance with the laws;
- Annually reporting to the GMS on the activities of the Committee in accordance with the laws;
- Keeping in touch with members of the Sub-committee; between the Sub-committee and Internal Audit, External Auditor and the BOD;

#### **5. Reviewing the BOD's activities**

The BOD's activities shall be reviewed annually on the following topics:

- Number of meetings;
- Implementation of BOD's resolution;
- Content of discussions;
- Quality and soundness of decisions and advice given in a particular year;
- Quality and soundness of decisions and advice given in a particular year;

#### **6. BOD's remuneration**

BOD's remuneration approved by the GMS shall be distributed to members of the BOD based on the following principles:

- Executive BOD's member shall not receive any remuneration. The Chairman shall receive higher remuneration than other members.
- Remuneration for the Heads of Sub-committee and members of the Subcommittees with more scope and extent of work shall be higher.
- Part of the remuneration of the BOD will cover for the meeting attendance and incentives based on yearly performance evaluation.

### **V. Selection, appointment and dismissal of Executive Officers**

Executive Officers include General Director, Deputy General Director, Chief Accountant and Directors of functional departments.

#### **1. Requirements for the Executive Officers**

The requirements for the Executive Officers is described as follows:

- Winning the trust of shareholders, managers and employees in the Company; possessing honesty, enthusiasm and good reputation;
- Having appropriate professional qualifications and organizational skills, the ability to align the interests of all related parties and make sound judgement;
- Having experience in business, have good knowledge of economic, political, legal and social issues as well as knowledge in market trends, products and competitors;
- The ability to translate knowledge and experience into practical solutions applicable to the production and business operations of the Company;

## **2. Appointment of Executive Officers**

### Procedures:

- General Director, Deputy General Director and Chief Accountant shall be appointed by the BOD; other positions in Executive Officers shall be appointed by the General Director;
- The nominators shall give opinions in writing (if any);

### Appointment:

- The BOD shall hold meeting to approve General Director, Deputy General Director and Chief Accountant positions;
- The appointment of the General Director, Deputy General Director shall be announced through the BOD's resolution;
- The General Director shall make decision on the appointment of other managerial positions in Executive Officers.

### Signing the labour contract:

- Salary, compensation, benefit and other terms in the labor contract entered into by the General Director, Deputy General Director, and Chief Accountant shall be decided by the BOD.
- The Chairman shall represent the BOD in signing labor contract with the General Director, Deputy General Director, and Chief Accountant. The General Director will sign labor contract with other positions in Executive Officers.

### Dismissal and Removal of Executive Officers:

Executive Officers shall be dismissed under the following conditions:

- Need for travelling, transferring or rotation of the company's personnel;



- Expiry of labor contract;
- Retirement with no intention of extending or resigning the labour contract;
- Health issue.

Executive Officers shall be removed under the following conditions:

- Unable to fulfill duties or violate of the company's rules and regulations;
- Violate the laws;

Dismissal and removal procedure:

- The meeting of BOD shall be held discuss and approve dismissal, removal of General Director, Deputy General Director and Chief Accountant positions;
- The dismissal and removal shall be announced through a BOD's resolution.

Announcement of appointment and dismissal, removal of Executive Officers:

Depending on each position, the appointment and dismissal, removal of Executive Officers shall be disclosed in accordance with the applicable laws.

## **VI. Coordination between the Board of Directors and the General Director**

### **1. Sequence and procedures for a meeting between the BOD and the General Director**

If the General Director is also a member of the BOD, the procedures and sequence for meeting invitation shall be mentioned in the BOD's meeting section. The meeting minute of the BOD and the General Director shall be integrated into the BOD's meeting agenda. If the General Director is not a BOD member, the meeting and minute are arranged and recorded separately.

### **2. Roles and responsibilities of the General Director**

- For the BOD: The General Director and other Executive Officers shall be responsible for daily operations of the Company.
- The General Director is entitled to act beyond his authority in emergency situations such as natural disaster, enemy sabotage, fires, sudden incidents or an incident under the applicable scope of the Crisis management policy (if any), etc... but he/ she must submit a report to the BOD as soon as possible and take all responsibility to the BOD and GMS.
- The General Director shall have the refusal right and might reserve his/her opinions regarding the BOD's decisions in case he/she holds such decisions to be unlawful or detrimental to the interests of the shareholders. In which case, the General Director must immediately send a report in writing to the BOD and the Audit Sub-committee.

- Before performing the tasks subject to the approval from the BOD as described in Article 27 of the Charter, the General Director shall send the proposal to the BOD no later than seven (07) days.
  - The General Director must submit a report to the BOD regarding the content stipulated in items g, h, Section 36.5 Article 36 of the Charter as soon as possible.
- 3. Cases that the General Director and the Audit Sub-committee shall suggest to convene meetings of the BOD and issues needing consultancy from the BOD**
- Conflict of rights, obligations between the BOD and the General Director;
  - Crisis settlement beyond the authority of the General Director;
  - Related party transactions related to General Director;
  - Critical issues arising in the process of implementing the resolutions of the BOD;
  - Issues exceeding the BOD's authorization for the General Director;
- 4. General Director shall make a report to the Board of Directors on the performance of assigned duties and authority**
- The General Director's report submitted to the BOD shall be included in the BOD meeting's agenda.
  - The report shall consist of the following major issues:
    - Company's overall performance, especially in comparison with the competitor;
    - Implementation of the Company's business plan, M&A plan, construction, legal project...;
    - Company's financial performances;
    - Company's compliance with the law, internal procedures, business ethic...;
- 5. Issues that the General Director is obligated to report, inform to the BOD**
- The General Director shall provide information with appropriacy when:
- Members of the BOD, in accordance with the laws, enquire information, documents regarding the financial situation, business activities of the Company and its units.
  - Heads of Sub-committees under the BOD enquire in writting, or via e-mail the issues that General Director is obligated to report or provide. In which case, the General Director shall be obligated to report in writing.



- BOD's members shall coordinate with the General Director in supervising the Sub-committee regarding the operation regulations of the sub-committees.
- The BOD's members might interview the Executive officers to clarify the issues.

**6. The Board of Directors' responsibility for providing a response**

- The BOD is responsible for providing a response to the issues on: the Charter, the Internal Regulation on Corporate Governance and the organizational structure within fifteen (15) days.
- For the approval of business transactions with related persons or significant business transactions, the BOD shall respond in writing within seven (07) days.

**VII. Management and use of The Company's seal**

- The BOD shall decide the quantity, form, content and pattern of the seal of the Company.
- The General Director shall decide the quantity, form, content và pattern of the seal of the representative offices and branches of the Company (if any).
- The General Director shall bear the responsibility to establish and issue internal regulations on the management and use of the Company's seal.

**VIII. Information disclosure and report obligations**

**1. Obligations to disclose and report information**

- The Company is obligated to disclose information in accordance with applicable laws. Information disclosure and media channel must be complied with the applicable laws and the Charter.
- The information shall be disclosed on website of The Company, State Securities Commission and Stock Exchange and other required channels. Vietnamese is the language for disclosure whilst English is encouraged. In case of any differences between the disclosure content in Vietnamese and that in English, the Vietnamese version shall prevail.

**2. Disclosure of organizational structure**

- The Company shall report to the State Securities Commission, Stock Exchanges and disclose the organizational structure in accordance with Article 134 of the Law on Enterprises.
- Should there be any change in the organizational structure of The Company, the Company is obligated to report to the State Securities Commission, Stock Exchange and disclose within twenty-four (24) hours upon the General Meeting of Shareholders' approval.

**3. Disclosure of corporate management**



- Corporate management shall be disclosed and updated at the Annual General Meeting of Shareholders and in the annual report of the Company in accordance with the Law on Securities on information disclosure.
- The Company is obligated to report every six (06) months and disclose information on the Company's corporate management situation in accordance with the Law on Securities on information disclosure.

**4. Disclosure of the General Director's remuneration**

The remuneration for the General Director must be shown in the annual financial statements of the Company and must be reported to the General Meeting of Shareholders at the annual meeting.

**5. Disclosure and report obligations of BOD and Executive Officers**

Members of BOD and Executive Officers are obligated to report and disclose information in compliance with the applicable laws and the Company's Charter.

**6. Internal disclosure regulations**

- Internal disclosure regulation shall be established and issued by The Company in accordance with Law on Securities and the applicable laws.
- The Company shall assign at least one (01) Disclosure Officer, who shall be under the following responsibilities:
  - To disclose the information of The Company to public investors in accordance with the applicable laws and The Charter;
  - To disclose his/her name and contact number.

**IX. Supervising the implementation**

- The Company, along with its related individuals and organizations and shareholders are subject to the administrative supervision from the State Securities Commission, Stock Exchange and other authorities in accordance with the applicable laws.
- The Company, related organizations and individuals are obligated to provide necessary information, documents and data promptly and accurately as requested by State Securities Commission and other competent authorities.

**X. Validity**

- This Regulation consists of 10 chapters drafted by the BOD and is approved upon by the General Meeting of Shareholders. This regulation shall come into effect upon being ratified and shall supersede the Internal Regulations on Corporate Governance formerly ratified on September 9<sup>th</sup> 2019.

- This Regulation is made into two (02) originals in Vietnamese and two (02) originals in English, all of which are of equal validity. Should there be any conflict between the Vietnamese and the English versions, the Vietnamese version shall prevail.
- Any changes in the legal framework shall be updated accordingly for the amendment and supplement of this Regulation by the BOD. In the event of conflict between the provisions of this Regulations and the applicable laws, the provisions in the applicable laws shall prevail.

**THE LEGAL REPRESENTATIVE OF THE COMPANY**

**CHAIRPERSON OF THE BOARD OF DIRECTORS**



**NGUYEN BA SANG**





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