

Appendix 04

(Attached to the Proposal No.: 07/2021/TTr-HDQT-VINCOM RETAIL dated 11 May 2021)

VINCOM RETAIL JOINT STOCK
COMPANY

THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

Hanoi, 2021

(Draft)

REGULATIONS ON THE OPERATION OF THE SUPERVISORY BOARD

- Pursuant to the Law on Securities dated 26 November 2019 (“**Law on Securities**”);
- Pursuant to the Law on Enterprises dated 17 June 2020 (“**Law on Enterprises**”);
- Pursuant to the Government's Decree No. 155/2020/ND-CP dated 31 December 2020 detailing the implementation of some articles of the Law on Securities (“**Decree 155**”);
- Pursuant to the Circular No. 116/2020/TT-BTC dated 31 December 2020 of the Minister of Finance guiding a number of Articles on corporate governance of public companies in the Decree 155;
- Pursuant to the Charter of Vincom Retail Joint Stock Company (the “**Charter**”);
- Pursuant to Resolution No. /2021/NQ-DHD CD-VINCOM RETAIL dated 2021 of General Meeting of Shareholders (the “**GMS**”);

The Supervisory Board promulgates the Regulations on the operation of the Supervisory Board of the Vincom Retail Joint Stock Company (“**Company**”).

The Regulations on the operation of the Supervisory Board of the Company has the following contents:

Chapter I

GENERAL PROVISIONS

Article 1. Scope and regulated bodies

1. **Scope:** the Regulations on the operation of the Supervisory Board provide for the organizational structure, operating principles, requirements, rights and obligations of the Supervisory Board and its members prescribed by the Law on Enterprises, Law on Securities, the Company’s Charter and applicable regulations.
2. **Regulated entities:** the Supervisory Board and its members.

Article 2. Operating principles

The Supervisory Board shall work on the collective principle. Members of the Supervisory Board shall be personally responsible for the performance of his/her own tasks and be jointly responsible before the GMS and the law for the tasks and decision of the Supervisory Board.

Chapter II

MEMBERS OF THE SUPERVISORY BOARD

Article 3. Rights, obligations and responsibilities of members of the Supervisory Board

1. Comply with laws and regulations, the Company's Charter, resolutions of the GMS and professional ethics in performance of their duties.
2. Perform their rights and obligations in an honest and prudent manner for the best and lawful interests of the Company.
3. Be loyal to the interests of the Company and shareholders; do not abuse power, position or use information, secrets, business opportunities and other assets of the Company for personal gain or serving the interests of any other organization or individual.
4. Other obligations prescribed by the Law on Enterprise and the Company's Charter.
5. In case violations against regulations of Clauses 1, 2, 3 and 4 of this Article cause damage to the Company or other persons, members of the Supervisory Board shall personally or jointly pay compensation for such damage. The income and benefits gained by the members of the Supervisory Board from these violations shall be returned to the Company.
6. In case a member of the Supervisory Board is found to be violating his rights and obligations, a written notice shall be sent to the Supervisory Board requesting the violator to stop committing the violations and take remedial measures.

Article 4. Term of office and quantity of members of the Supervisory Board

1. The Supervisory Board has 03 members, whose term of office shall not exceed 05 years, and each member might be re-elected with an unlimited number of terms.
2. Members of the Supervisory Board are not necessarily shareholders of the Company.
3. More than half of the members of the Supervisory Board must be residents of Vietnam.
4. In case the term of office of all members of the Supervisory Board end before new members are elected, the existing members shall keep performing their rights and obligations until new members are elected and take over their tasks.

Article 5. Requirements to be satisfied by members of the Supervisory Board

1. A member of the Supervisory Board shall satisfy the following requirements:
 - a) He/she is not any of the persons specified in Clause 2 Article 17 of the Law on Enterprises;
 - b) He/she is trained in economics, finance, accounting, audit, law, business administration or another major that is relevant to the enterprise's operation;
 - c) He/she is not a relative of any member of the Board of Directors (the "**BOD**"), the Chief Executive Officer (the "**CEO**") or any other managers;
 - d) He/she is not a manager, not necessarily a shareholder or employee of the Company, unless otherwise prescribed by the Company's Charter;
 - e) He/she does not work in the Company's accounting or finance department;
 - f) He/she is not a member or employee of the accredited audit organization that is auditing the Company's financial statements over the last 03 years;
 - g) Other requirements prescribed by law and the Company's Charter.
2. In addition to the requirements specified in Clause 1 of this Article, members of the Supervisory Board must not be relatives of managers of the Company and the parent company.

Article 6. Head of Supervisory Board

1. The Head of Supervisory Board shall have a bachelor's degree or higher in economics, finance, accounting, audit, law, business administration or another major that is relevant to the operation of the Company.
2. The Head of Supervisory Board shall be elected by the Supervisory Board among its members; the election, dismissal and discharge of the Head of Supervisory Board shall be carried out under the majority rule.
3. Rights and obligations of the Head of Supervisory Board shall be specified in the Company's Charter.

Article 7. Nomination and self-nomination of members of the Supervisory Board

1. The shareholder or group of shareholders that holds at least 10% of total ordinary shares is entitled to nominate candidates to the Supervisory Board. Unless otherwise prescribed by the Company's Charter, candidates shall be nominated as follows:
 - a) The group of shareholders that nominate candidates to the Supervisory Board must inform the participants of the meeting before the opening of the GMS;
 - b) Depending on the number of members of the Supervisory Board, the shareholders or groups of shareholders prescribed in this Clause may nominate one or a number of candidates according to the decision of the GMS to the Supervisory Board. In case the number of nominated candidates is smaller than the maximum permissible number of candidates specified in the decision of the GMS, the remaining candidates shall be nominated by BOD, the Supervisory Board and other shareholders.
2. In case the number of candidates is smaller than the minimum number specified in Clause 5 Article 115 of the Law on Enterprises, the incumbent Supervisory Board shall nominate more candidates or organize the nomination in accordance with the Company's Charter, internal regulations on corporate governance, and operating regulations of the Supervisory Board. This must be announced before the GMS starts to vote for members of the Supervisory Board as prescribed by law.

Article 8. Mechanism for election, dismissal and discharge of members of the Supervisory Board

1. The election, dismissal and discharge of members of the Supervisory Board shall be carried out by the GMS.
2. The voting on members of Supervisory Board shall be carried out by cumulative voting. This means each shareholder has a number of votes that is equivalent to their shares multiplied by the number of members of the Supervisory Board, and may cast all or some of the votes for one or some candidates. Elected members of the Supervisory Board shall be chosen according to number of votes received in descending order until the minimum number specified in the Company's Charter is reached. In case 02 or more candidates for the last member of the BOD receive the same number of votes, they will undergo another voting or be selected according to the voting regulations or the Company's Charter.

Article 9. Cases of dismissal, discharge of members of the Supervisory Board

1. A member of the Supervisory Board will be discharged by the GMS in the following cases:
 - a) He/she no longer fully satisfies the requirements specified in Article 169 of the Law on Enterprises;

- b) He/she hands in resignation letter which is accepted;
 - c) Other cases specified in the Company's Charter.
2. A member of the Supervisory Board will be dismissed by the GMS in the following cases:
- a) He/she fails to fulfill the assigned tasks and duties;
 - b) He/she fails to perform his/her rights and obligations for 06 consecutive months, except in force majeure events;
 - c) He/she commits multiple or serious violations against obligations of members of the Supervisory Board prescribed by the Law on Enterprises and the Company's Charter.
 - d) Other cases specified in the resolution of the GMS.

Article 10. Announcement of election, dismissal and discharge of members of the Supervisory Board

1. After candidates for members of the Supervisory Board have been nominated, the Company shall publish information about these candidates at least 10 days before the opening date of the GMS on the Company's website for the shareholders to study their profiles before voting. Each candidate shall prepare a written declaration that information about him/her is correct and to perform his/her duties in an honest and prudent manner for the best interests of the Company if he/she is elected to the Supervisory Board. Information about candidates includes:
- a) Full name, date of birth;
 - b) Qualifications;
 - c) Work experience;
 - d) Other managerial positions;
 - e) Interests relevant to the Company and the Company's related parties;
 - f) Other information (if any) specified in the Company's Charter;
 - g) The Company shall disclose information about the companies in which the candidates are holding managerial positions and their interests in these companies (if any).
2. The results of election, dismissal and discharge of members of the Supervisory Board shall be announced in accordance with regulations on information disclosure.

Chapter III

SUPERVISORY BOARD

Article 11. Rights, obligations and responsibilities of the Supervisory Board

1. Supervise the BOD and the CEO in their managing and operating the Company.
2. Inspect the rationality, legitimacy, truthfulness and prudence in business operation and management; the systematization, uniformity and appropriateness of accounting, statistics production and preparation of financial statement.
3. Inspect the adequacy, legitimacy and truthfulness of income statements, annual and half-year interim financial statements of the Company; assess governance tasks performed by the BOD; submit evaluation reports to the annual GMS. Review contracts and transactions with related persons within the authority to approve of the BOD or the GMS; offer recommendations concerning these contracts and transactions.

4. Review, inspect, and evaluate the effectiveness of the internal control, audit, risk management and early warning system of the Company.
5. Examine accounting books, accounting records and other documents of the Company; management and operation of the Company where necessary or under the resolution of the GMS or at the request of the shareholder or group of shareholders specified in Clause 2 Article 115 of the Law on Enterprises.
6. Within 07 working days from the receipt of the request from the shareholder or group of shareholders specified in Clause 2 Article 115 of the Law on Enterprise, the Supervisory Board shall carry out an inspection. Within 15 days from the end of the inspection, the Supervisory Board shall submit an inspection report to the BOD and the requesting shareholder or group of shareholders. The inspection by the Supervisory Board must not affect the normal operation of the BOD and the Company's business operation.
7. Propose changes and improvements to the organizational structure, supervision and administration mechanism to the BOD or the GMS.
8. Whenever a member of the BOD, the CEO is found to be violating Article 165 of the Law on Enterprises, promptly send a notice to the BOD requesting the violator to stop the violation and take remedial measures.
9. Participate and discuss in meetings of the GMS, the BOD and other meetings of the Company.
10. Employ independent counselors and internal audits of the Company to serve the performance of their tasks.
11. The Supervisory Board may consult with the BOD before submitting its reports, verdicts and proposals to the GMS.
12. Inspect specific issues relevant to the Company management and administration at the request of the shareholders.
13. Request the BOD to convene an extraordinary GMS.
14. Convene the GMS instead of the BOD within 30 days if the BOD fails to do so as prescribed in Clause 3 Article 140 of the Law on Enterprises.
15. Request the Chairperson of the BOD to convene meeting of the BOD.
16. Examine, extract, copy all or part of the list of related persons and interests prescribed in Clause 1 and Clause 2 Article 164 of the Law on Enterprises.
17. Submit and request the GMS to approve the list of accredited audit organizations, which will audit the Company's financial statements; accredited audit organization shall also review the Company's operations where necessary.
18. Take responsibility to the shareholders for the supervision tasks performed by the Supervisory Board.
19. Supervise the Company's financial position and performance, lawfulness of members of the BOD, the CEO and other managers' actions.
20. Cooperate with the BOD, the CEO, and shareholders.
21. Send a written notice to the BOD within 48 hours after discovery of violations against the law or the Company's Charter by a member of the BOD, CEO/Management or other executives of the Company, and request the violator to stop committing the violations and take remedial measures.

22. Formulate the Regulations on the operation of the Supervisory Board and submit them to the GMS for ratification.
23. Witness the vote counting by the BOD and issue a vote counting record if requested by the BOD in case of questionnaire survey for ratification of the GMS' resolution.
24. The Head of Supervisory Board shall preside over the election of the chair of the GMS in case the BOD Chairperson is absent or temporarily unable to work while the remaining members of the BOD cannot elect a chair. In this case, the person who receives the most votes shall chair the meeting.
25. Perform other rights and obligations prescribed by the Law on Enterprises, the Company's Charter, and the resolution of the GMS.

Article 12. Rights to be provided with information of the Supervisory Board

1. Documents and information shall be sent to members of the Supervisory Board at the same time and using the same method as those applied to members of the BOD, including:
 - a) Meeting invitations, questionnaires for members of the BOD and enclosed documents;
 - b) The resolutions, decisions and minutes of the GMS and meetings of the BOD;
 - c) Reports submitted by the CEO to the Supervisory Board or other documents issued by the Company.
2. Members of the Supervisory Board are entitled to access the Company's documents retained at its headquarters, branches and other locations; enter the working locations of the Company's managers and employees during office hours.
3. The BOD, its members, the CEO and other management executives shall provide accurate, adequate and timely information and documents about the Company's management and operation at the request of the Supervisory Board or its members.

Article 13. Responsibility of the Supervisory Board to convene extraordinary GMS

1. The Supervisory Board shall convene the GMS instead of the BOD within 30 days if the BOD fails to convene the GMS in the following cases:
 - a) The number of members of the BOD or the Supervisory Board drops below the minimum number prescribed by law;
 - b) It is requested by a shareholder or group of shareholders prescribed in Clause 2 Article 115 of the Law on Enterprises;
 - c) An extraordinary GMS is requested by the Supervisory Board but not convened by the BOD, unless otherwise prescribed by the Company's Charter.
2. In case the Supervisory Board does not convene the GMS as per regulations, the Supervisory Board shall pay damage incurred by the Company.
3. The costs of convening and conducting the GMS as prescribed Clause 1 of this Article shall be reimbursed by the Company.

Chapter IV

MEETINGS OF THE SUPERVISORY BOARD

Article 14. Meetings of the Supervisory Board

1. The Supervisory Board shall have at least 02 meetings per year. Each meeting must be participated by at least two thirds (2/3) of its members.
2. The Supervisory Board is entitled to request members of the BOD, the CEO and representatives of the accredited audit organization to participate in its meetings and clarify raised issues.

Article 15. Minutes of meetings of the Supervisory Board

Minutes of all meetings of the Supervisory Board shall be written in detailed, with the signatures of the meeting's secretary and participating members. All minutes of meetings of the Supervisory Board must be archived in order to attribute responsibility to each member.

Chapter V

REPORTING AND DISCLOSURE OF INTERESTS

Article 16. Submission of annual reports

The Supervisory Board shall submit the following reports to the GMS:

1. The report on business performance of the Company.
2. The self-assessment report on performance of the Supervisory Board and its members.
3. Remunerations, operating costs and other benefits of the Supervisory Board and each of its members.
4. Summaries of meetings of the Supervisory Board, verdicts and proposals of the Supervisory Board; result of supervision of the Company's operation and finance.
5. Assessment reports on transactions between the Company, subsidiary companies and other companies over 50% of the charter capital of which is controlled by the public company with members of the BOD, the CEO and their related persons; transactions between the Company with companies whose founders or managers are members of the BOD over the last 03 years from the transaction date.
6. Result of supervision of the BOD, the CEO and other executives.
7. Evaluation of cooperation between the Supervisory Board, the BOD, the CEO and shareholders.
8. Submit and request the GMS to approve the list of accredited audit organizations, which will audit the Company's financial statements; accredited audit organization shall also audit the Company's operation where necessary.

Article 17. Salaries and other benefits

Unless otherwise prescribed by the Company's Charter, the salaries, remunerations, bonuses and other benefits of members of the Supervisory Board shall comply with the regulations below:

1. Members of the Supervisory Board shall receive salaries, remunerations, bonuses and other benefits under the decision of the GMS. The GMS shall decide the salaries, remunerations, bonuses and other benefits and annual budget of the Supervisory Board.
2. Members of the Supervisory Board shall the reasonable costs of accommodation, travel and independent counseling services reimbursed. The total costs must not exceed the annual budget of the Supervisory Board which has been approved by the GMS, unless otherwise decided by the GMS.

3. Salaries and operating costs of the Supervisory Board shall be recorded as the Company's operating costs in accordance with regulations of law on corporate income tax, presented in a separate section of the Company's annual financial statements.

Article 18. Disclosure of related interests

1. Members of the Supervisory Board shall declare their related interests, including:
 - a) Names, enterprise ID numbers, headquarters addresses, business lines of enterprises which they hold stakes or shares; their holdings and time of holdings or ownership;
 - b) Names, enterprise ID numbers, headquarters addresses, business lines of enterprises they and their related persons jointly or separately hold stakes or shares that are worth more than 10% of the charter capital.
2. The declaration specified in Clause 1 of this Article must be made within 7 working days from the date the related interest arises; any amendment or supplement must be notified to the Company within 07 working days from the date of such amendment or supplement.
3. Members of the Supervisory Board and their related persons may only use the information obtained from their positions to serve the interests of the Company.
4. Members of the Supervisory Board shall send written notices to the BOD and the Supervisory Board of the transactions between the Company, subsidiary companies, companies over 50% of the charter capital of which is controlled by the Company with related persons of members of the Supervisory Board as prescribed by law. The Company shall disclose information about the transactions that are approved by the GMS or the BOD in accordance with provisions of the Law on Securities on information disclosure.
5. Members of the Supervisory Board and their related persons must not use or reveal internal information for carrying out related transactions.

Chapter VI

RELATIONSHIPS OF THE SUPERVISORY BOARD

Article 19. Relationships between members of the Supervisory Board

Members of the Supervisory Board are independent from one another and shall cooperate in performance of common tasks to fulfill the responsibility, rights and obligations of the Supervisory Board as prescribed by law and the Company's Charter. The Head of the Supervisory Board shall coordinate operation of the Supervisory Board but does not have the right to control its members.

Article 20. Relationship with the CEO

The Supervisory Board is independent from the CEO of the Company and shall supervise operation of the Board of Management.

Article 21. Relationship with the BOD

The Supervisory Board is independent from the BOD and shall supervise operation of the BOD.

Chapter VII

IMPLEMENTATION CLAUSES

Article 22. Effectiveness

The Regulations on the operation of the Supervisory Board of the Company consists of 07 chapters, 22 articles and comes into force from2021.

**ON BEHALF OF THE SUPERVISORY BOARD
HEAD OF SUPERVISORY BOARD**

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Note:

Further amendments and supplements to this document may be proposed for approval at the AGM.