

**JOINT STOCK COMPANY  
CLEAN WATER THAI NGUYEN**

**SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness**

Number: 04/TT-BKS

Thai Nguyen, March 25, 2025



**SUBMISSION**

**On the proposal to promulgate the Operating Regulations of the Board of Supervisors**

To: General Meeting of Shareholders of Thai Nguyen Clean Water Joint Stock Company

*Pursuant to the Law on Enterprises dated June 17, 2020;*

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

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

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

*Pursuant to the Charter of Thai Nguyen Clean Water Joint Stock Company;*

*Pursuant to Resolution No. 26/NQ-ĐHĐCĐ dated June 28, 2024 of the Annual General Meeting of Shareholders of Thai Nguyen Clean Water Joint Stock Company in 2024;*

*Pursuant to Minutes No. 06/BB-HĐQT dated March 25, 2025 of the Board of Directors of Thai Nguyen Clean Water Joint Stock Company.*

The Board of Supervisors of Thai Nguyen Clean Water Joint Stock Company respectfully submits to the General Meeting of Shareholders of Thai Nguyen Clean Water Joint Stock Company for approval and promulgation of the Operating Regulations of the Board of Supervisors of Thai Nguyen Clean Water Joint Stock Company.

*(Draft of the Board of Supervisors' Operating Regulations is attached)*

Respectfully submit to the General Meeting of Shareholders for consideration and approval./.

**Recipient:**

- As above;
- Save VT, BKS.

**TM. BOARD OF SUPERVISION  
PREFECT**

**Vu Khanh Lam**



**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom – Happiness**



**(DRAFT)**

**RULES**  
**ACTIVITIES OF THE SUPERVISION BOARD**  
**THAI NGUYEN CLEAN WATER JOINT STOCK**  
**COMPANY**

*(Attached to Submission No. 04/TTr-BKS dated March 25, 2025)*  
*of the Board of Supervisors of Thai Nguyen Clean Water Joint Stock Company)*

*Thai Nguyen, 2025*



**RULES****ACTIVITIES OF THE SUPERVISION BOARD**

*(Attached to Submission No. 04/TTr-BKS dated March 25, 2025)  
of the Board of Directors of Thai Nguyen Clean Water Joint Stock Company)*

**CHAPTER I****GENERAL PROVISIONS****Article 1. Scope of regulation and applicable subjects**

1. Scope of regulation : The operating regulations of the Board of Supervisors stipulate the organizational structure, personnel, standards, conditions, rights and obligations of the Board of Supervisors and Supervisors . Thai Nguyen Clean Water Joint Stock Company according to the provisions of the Enterprise Law, the Company Charter and other relevant regulations.

2. Applicable subjects: The operating regulations of the Board of Supervisors are applied to the Board of Supervisors and the Company's Supervisors.

**Article 2. Operating principles of the Board of Control**

The Board of Supervisors operates on a collective basis. Supervisors are individually responsible for their work and jointly responsible to the General Meeting of Shareholders and before the law for their work and decisions.

**Article 3. Abbreviations and explanations of terms**

- Regulations: Regulations on the operation of the Board of Supervisors of Thai Nguyen Clean Water Joint Stock Company.

- Company Charter: Charter of Thai Nguyen Clean Water Joint Stock Company.

- Board of Directors: Board of Directors of Thai Nguyen Clean Water Joint Stock Company.

- Company: Thai Nguyen Clean Water Joint Stock Company.

- Board of Supervisors: Board of Supervisors of Thai Nguyen Clean Water Joint Stock Company.

- Board of Directors: Board of Directors of Thai Nguyen Clean Water Joint Stock Company.

- General Meeting of Shareholders: General Meeting of Shareholders of Thai Nguyen Clean Water Joint Stock Company.

**Article 4. Application of documents**

1. In case this Regulation does not provide, the provisions of the Company Charter and relevant provisions of law shall apply.



2. In case there is a change in the Company Charter and legal provisions that causes this Regulation to be different from the Company Charter and legal provisions, the new provisions in the Company Charter and the new legal provisions shall apply.

## **CHAPTER II**

### **BOARD OF SUPERVISION MEMBER (SUPERVISION MEMBER)**

#### **Article 5. Rights, obligations and responsibilities of the Controller**

1. Comply with the law, the Company Charter, resolutions of the General Meeting of Shareholders and professional ethics in performing assigned rights and obligations.

2. Exercise assigned rights and obligations honestly, carefully and to the best of our ability to ensure the maximum legitimate interests of the Company.

3. Be loyal to the interests of the Company and shareholders; do not abuse position, title and use information, know-how, business opportunities, other assets of the Company for personal gain or to serve the interests of other organizations or individuals.

4. Other obligations as prescribed by the Law on Enterprises and the Company Charter.

5. In case of violation of provisions in clauses 1, 2, 3 and 4 of this Article causing damage to the Company or others, the Controller shall be personally or jointly liable for compensation for such damage. Income and other benefits that the Controller obtains due to the violation must be returned to the Company.

a Controller is found to have violated the rights and obligations assigned, a written notice must be sent to the Board of Supervisors, requesting the violator to stop the violation and remedy the consequences.

#### **Article 6. Term and number of Controllers**

1. The Company's Board of Supervisors has 03 Supervisors. The term of office of a Supervisor shall not exceed 05 years and he/she may be re-elected for an unlimited number of terms.

2. The Controller need not be a shareholder of the Company.

3. The Board of Supervisors must have more than half of its members permanently residing in Vietnam.

4. In case the term of the Controller ends at the same time and the new term Controller has not been elected, the term of the Controller whose term has expired shall continue to exercise rights and obligations until the new term Controller is elected and takes office.

#### **Article 7. Standards and conditions of Controllers**

1. Not subject to the provisions of Clause 2, Article 17 of the Law on Enterprises.



2. Trained in one of the following majors: economics, finance, accounting, auditing, law, business administration or a major suitable for the business operations of the enterprise.

3. Not a family member of a member of the Board of Directors, General Director and other managers.

4. Not a manager of the Company; not necessarily a shareholder or employee of the Company.

5. Other standards and conditions as prescribed by other relevant laws and the Company Charter.

### **Article 8. Head of the Board of Supervisors**

1. The head of the board of supervisors must have a university degree or higher in one of the following majors: economics, finance, accounting, auditing, law, business administration or a major related to the business activities of the enterprise.

2. The Head of the Supervisory Board is elected by the Supervisory Board from among the Supervisors; the election, dismissal and removal are based on the majority principle.

3. The rights and obligations of the Head of the Board of Supervisors are stipulated in the Company Charter.

### **Article 9. Nomination and candidacy for members of the Board of Supervisors**

1. The nomination and candidacy of members of the Board of Supervisors is carried out as follows:

a) Shareholders or groups of shareholders holding from 10% to less than 20% of total common shares may nominate a maximum of 01 candidate;

b) Shareholders or groups of shareholders holding from 20% to less than 30% of total common shares may nominate a maximum of 02 candidates;

c) Shareholders or groups of shareholders holding from 30% to less than 40% of total common shares may nominate up to 03 candidates;

d) Shareholders or groups of shareholders holding from 40% to less than 50% of total common shares may nominate up to 04 candidates;

d) Shareholders or groups of shareholders holding from 50% to less than 60% of total common shares may nominate up to 05 candidates.

e) Shareholders or groups of shareholders holding from 60% to less than 70% of total common shares may nominate up to 06 candidates;

g) Shareholders or groups of shareholders holding from 70% to less than 80% of total common shares may nominate up to 07 candidates;



h) Shareholders or groups of shareholders holding 80% or more of total common shares may nominate up to 08 candidates.

2. In case the number of candidates for the Board of Supervisors through nomination and candidacy is not sufficient, the incumbent Board of Supervisors may nominate additional candidates or organize nominations in accordance with the provisions of the Company Charter, the Internal Regulations on Corporate Governance and the Operating Regulations of the Board of Supervisors. The nomination of additional candidates by the incumbent Board of Supervisors must be clearly announced before the General Meeting of Shareholders votes to elect members of the Board of Supervisors in accordance with the provisions of law.

#### **Article 10. Method of electing, dismissing and removing members of the Board of Supervisors**

1. The election, dismissal and removal of the Controller is under the authority of the General Meeting of Shareholders.

2. Voting to elect members of the Board of Supervisors must be carried out by cumulative voting, whereby each shareholder has a total number of votes corresponding to the total number of shares owned multiplied by the number of elected members of the Board of Supervisors and shareholders have the right to accumulate all or part of their total votes for one or several candidates. The elected members of the Board of Supervisors are determined by the number of votes from high to low, starting from the candidate with the highest number of votes until the number of members specified in the Company's Charter is sufficient. In case there are 02 or more candidates with the same number of votes for the last member of the Board of Supervisors, a re-election will be conducted among the candidates with the same number of votes or selection will be made according to the criteria specified in the election regulations or the Company's Charter.

#### **Article 11. Cases of dismissal and removal of Controllers**

1. The General Meeting of Shareholders dismisses the Controller in the following cases:

a) Not meeting the standards and conditions as prescribed in Article 57 of the Company Charter ;

b) Have a resignation letter and it is accepted;

c) The Controller is a shareholder but later transferred or donated his/her shares to another person and the remaining shares held by the shareholder do not meet the qualifications to be nominated or run for Controller according to the provisions of the Company's Charter;

d) The Controller is an authorized representative or nominee of a shareholder but has had his/her authorized representative or nominee status revoked or the shareholder has transferred or donated his/her shares to another person and the remaining shares held by the shareholder do not meet the qualifications to be nominated or run for Controller as prescribed in the Company's Charter.



2. The General Meeting of Shareholders shall remove the Controller in the following cases:

- a) Failure to complete assigned tasks and work;
- b) Not exercising one's rights and obligations for 06 consecutive months, except in cases of force majeure;
- c) Repeatedly and seriously violating the obligations of a Controller as prescribed by the Law on Enterprises and the Company Charter;
- d) Other cases according to the resolution of the General Meeting of Shareholders.

#### **Article 12. Notice of election, dismissal and removal of Controllers**

1. In case the candidates for the Board of Supervisors have been identified, the Company must disclose information related to the candidates at least 10 days before the opening date of the General Meeting of Shareholders on the Company's website so that shareholders can learn about these candidates before voting. The candidates for the Board of Supervisors must have a written commitment to the honesty and accuracy of the published personal information and must commit to performing their duties honestly, carefully and in the best interests of the Company if elected as a Board of Supervisors. Information related to the candidates for the Board of Supervisors to be disclosed includes:

- a) Full name, date of birth;
- b) Professional qualifications;
- c) Work process;
- d) Other management positions;
- d) Benefits related to the Company and its related parties;
- e) Other information (if any) as prescribed in the Company Charter;
- g) The Company must be responsible for disclosing information about the Companies in which the candidate is holding management positions and the interests related to the Company of the candidate for the Board of Supervisors (if any).

2. The announcement of the results of the election, dismissal and removal of the Controller shall comply with the regulations guiding information disclosure.

### **CHAPTER III**

#### **BOARD OF SUPERVISION**

#### **Article 13. Rights, obligations and responsibilities of the Board of Supervisors**

1. The Board of Supervisors supervises the Board of Directors and the General Director in the management and operation of the Company.

2. Check the reasonableness, legality, honesty and level of prudence in management and operation of business activities; the systematicity, consistency and appropriateness of accounting, statistics and financial reporting.



3. Assess the completeness, legality and truthfulness of the Company's business performance report , annual and 6-month financial reports , and the Board of Directors' management assessment report and submit the assessment report at the annual General Meeting of Shareholders. Review contracts and transactions with related parties under the approval authority of the Board of Directors or the General Meeting of Shareholders and make recommendations on contracts and transactions that require approval by the Board of Directors or the General Meeting of Shareholders.

4. Review, inspect and evaluate the effectiveness and efficiency of the Company's internal control, internal audit, risk management and early warning systems.

5. Review the Company's accounting books, accounting records and other documents, the Company's management and operations when deemed necessary or according to the resolution of the General Meeting of Shareholders or at the request of a shareholder or group of shareholders as prescribed in Clause 2, Article 23 of the Company's Charter .

6. Upon request by a shareholder or group of shareholders as stipulated in Clause 2, Article 23 of the Company Charter , the Board of Supervisors shall conduct an inspection within 07 working days from the date of receipt of the request. Within 15 days from the date of completion of the inspection, the Board of Supervisors shall report and explain the issues requested for inspection to the Board of Directors and the requesting shareholder or group of shareholders. The inspection by the Board of Supervisors as stipulated in this Clause shall not impede the normal operations of the Board of Directors and shall not disrupt the Company's business operations.

7. Propose to the Board of Directors or the General Meeting of Shareholders measures to amend, supplement, and improve the organizational structure for management, supervision, and operation of the Company's business activities.

8. When discovering that a member of the Board of Directors or the General Director violates the provisions of Article 65 of the Company's Charter , he/she must immediately notify the Board of Directors in writing , request the violator to stop the violation and take measures to remedy the consequences.

9. Attend and participate in discussions at the General Meeting of Shareholders, Board of Directors and other meetings of the Company.

10. Use independent consultants and the Company's internal audit department to perform assigned tasks.

11. The Board of Supervisors may consult the Board of Directors before submitting reports, conclusions and recommendations to the General Meeting of Shareholders.

12. Examine each specific issue related to the management and operation of the Company as requested by shareholders.



13. Request the Board of Directors to convene an extraordinary meeting of the General Meeting of Shareholders.

14. Replace the Board of Directors to convene the General Meeting of Shareholders within 30 days in case the Board of Directors fails to convene the General Meeting of Shareholders as prescribed in Clause 3, Article 26 of the Company Charter.

15. Request the Chairman of the Board of Directors to convene a meeting of the Board of Directors.

16. Review, extract, copy part or all of the declared content of the List of related persons and related interests declared as prescribed in Clause 1, Clause 2, Article 64 of the Company Charter.

17. Propose and recommend the General Meeting of Shareholders to approve the list of auditors approved to audit the Company's Financial Statements; the approved auditing organization shall inspect the Company's activities when deemed necessary.

18. Be responsible to shareholders for its monitoring activities .

19. Monitor the Company's financial situation and compliance with the law by members of the Board of Directors, General Director, and other managers in their activities.

20. Ensure coordination of activities with the Board of Directors, General Director and shareholders.

21. In case of detecting any violation of the law or the Company Charter by a member of the Board of Directors, the General Director and other business executives, the Supervisory Board must notify the Board of Directors in writing within 48 hours, requesting the violator to stop the violation and take measures to remedy the consequences.

22. Develop the Operating Regulations of the Board of Supervisors and submit them to the General Meeting of Shareholders for approval.

23. Witness the Board of Directors organize the vote counting and prepare the vote counting minutes if requested by the Board of Directors in case of collecting shareholders' opinions in writing to pass the resolution of the General Meeting of Shareholders .

24. The Head of the Supervisory Board shall preside over the General Meeting of Shareholders to elect a meeting chairman in the event that the Chairman is absent or temporarily unable to work and the remaining members of the Board of Directors cannot elect a chairperson. In this case, the person with the highest number of votes shall chair the meeting.

25. Exercise other rights and obligations as prescribed by law, the Company Charter and Resolutions of the General Meeting of Shareholders.



**Article 14. The right to information of the Board of Supervisors**

1. Meeting invitations, voting forms for Board of Directors members and accompanying documents must be sent to the Supervisors at the same time and in the same manner as to Board of Directors members.

2. Resolutions and minutes of meetings of the General Meeting of Shareholders and the Board of Directors must be sent to the Supervisors at the same time and in the same manner as to shareholders and members of the Board of Directors.

3. The General Director's report to the Board of Directors or other documents issued by the Company shall be sent to the Controllers at the same time and in the same manner as to the members of the Board of Directors.

4. The Controller has the right to access the Company's records and documents kept at the head office, branches and other locations; has the right to visit the workplaces of the Company's managers and employees during working hours.

5. The Board of Directors, members of the Board of Directors, the General Director, and other managers must provide complete, accurate, and timely information and documents on the management, operations, and business activities of the Company upon request of the Controller or the Board of Supervisors.

**Article 15. Responsibilities of the Board of Supervisors in convening extraordinary meetings of the General Meeting of Shareholders**

1. The Board of Supervisors is responsible for replacing the Board of Directors in convening the General Meeting of Shareholders within 30 days in case the Board of Directors fails to convene the General Meeting of Shareholders in the following cases:

a) The number of remaining members of the Board of Directors and Board of Supervisors is less than the number of members prescribed by law;

b) At the request of a shareholder or group of shareholders as prescribed in Clause 2, Article 23 of the Company Charter ;

c) When there is a request to convene an extraordinary meeting of the Shareholders' Meeting by the Board of Supervisors but the Board of Directors does not implement it.

2. In case the Board of Supervisors fails to convene a meeting of the General Meeting of Shareholders as prescribed, the Board of Supervisors must compensate the Company for any damages arising.

3. The costs of convening and conducting the General Meeting of Shareholders as prescribed in Clause 1 of this Article will be reimbursed by the Company.



## **CHAPTER IV – SUPERVISORY BOARD MEETING**

### **Article 16. Meeting of the Board of Supervisors**

1. The Board of Supervisors must meet at least twice a year, with at least 2/3 of the members of the Board of Supervisors attending the meeting.

2. The Board of Supervisors has the right to request members of the Board of Directors, the General Director and representatives of approved auditing organizations to attend and answer questions that need to be clarified.

### **Article 17. Minutes of the Board of Supervisors meeting**

Minutes of the Supervisory Board meetings are detailed and clear. The person taking the minutes and the Supervisors attending the meeting must sign the minutes of the meeting. Minutes of the Supervisory Board meetings must be kept to determine the responsibilities of each Supervisor .

## **CHAPTER V**

### **REPORTING AND DISCLOSURE OF BENEFITS**

#### **Article 18. Annual reporting**

The Reports of the Board of Supervisors at the Annual General Meeting of Shareholders include the following contents:

1. Report on the Company's business results on the performance of the Board of Directors and General Director to submit to the General Meeting of Shareholders for approval at the annual General Meeting of Shareholders.

2. Self-assessment report on performance of the Board of Supervisors and Supervisors.

3. Remuneration, operating expenses and other benefits of the Board of Supervisors and each Supervisor .

4. Summary of meetings of the Board of Supervisors and conclusions and recommendations of the Board of Supervisors; Results of monitoring the Company's operations and finances.

5. Report on the assessment of transactions between the Company, Subsidiaries , and other Companies in which the Company controls more than fifty percent (50%) of the charter capital with members of the Board of Directors, General Director and related persons of such members; Transactions between the Company and Companies in which members of the Board of Directors are founding members or business managers within the last 3 years prior to the time of the transaction.

6. Results of supervision of the Board of Directors, General Director and other business executives.

7. Results of assessment of coordination between the Board of Supervisors, the Board of Directors, the General Director and shareholders.



8. Propose and recommend the General Meeting of Shareholders to approve the list of approved auditing organizations to audit the Company's Financial Statements; approved auditing organizations to inspect the Company's activities when deemed necessary.

#### **Article 19. Salary , remuneration and other benefits**

Salary , remuneration, bonus and other benefits of the Controller are implemented according to the following provisions:

1. Supervisors are paid salaries, remuneration, bonuses and other benefits according to the decision of the General Meeting of Shareholders. The General Meeting of Shareholders decides on the total salary, remuneration, bonuses, other benefits and the annual operating budget of the Supervisory Board.

2. The Supervisor shall be paid for meals, accommodation, travel, and the use of independent consulting services at a reasonable level. The total remuneration and expenses shall not exceed the total annual operating budget of the Supervisory Board approved by the General Meeting of Shareholders, unless otherwise decided by the General Meeting of Shareholders.

3. Salaries and operating expenses of the Board of Supervisors are included in the Company's business expenses according to the provisions of the law on corporate income tax, other relevant legal provisions and must be recorded as a separate item in the Company's annual financial statements.

#### **Article 20. Method of payment of remuneration to Controllers**

1. The Controller will advance 90% of the planned remuneration monthly and will finalize at the end of the fiscal year.

2. Based on annual business performance, the Controller receives remuneration based on the ratio of realized profit to planned profit, specifically:

- If the actual profit increases compared to the plan, the Controller's remuneration will increase accordingly, but not exceed 110% of the planned remuneration.

- If the actual profit is lower than the plan, the Controller's remuneration will be reduced accordingly, but not lower than 90% of the planned remuneration.

#### **Article 21. Disclosure of related interests**

1. The Company's Controller must declare to the Company his/her related interests, including:

- a) Name, enterprise code, head office address, business lines of the enterprise in which they own or own capital contributions or shares; ratio and time of ownership or ownership of such capital contributions or shares;



b) Name, enterprise code, head office address, business lines of the enterprise in which their related persons own, jointly own or separately own capital contributions or shares of more than 10% of the charter capital.

2. The declaration as prescribed in Clause 1 of this Article must be made within 07 working days from the date of arising of related interests; Any amendment or supplement must be notified to the Company within 07 working days from the date of the corresponding amendment or supplement.

3. The Controllers and their related persons may only use information obtained through their positions to serve the interests of the Company.

4. The Controller is obliged to notify in writing the Board of Directors and the Supervisory Board of transactions between the Company, its Subsidiaries, and other Companies in which the Company controls more than fifty percent (50%) of the charter capital with the Controller or with the Controller's related persons in accordance with the provisions of law. For the above transactions approved by the General Meeting of Shareholders or the Board of Directors, the Company must disclose information about these resolutions in accordance with the provisions of the securities law on information disclosure.

5. The Controllers and their related persons shall not use or disclose to others inside information to carry out related transactions.

## **CHAPTER VI**

### **BOARD OF SUPERVISION RELATIONSHIP**

#### **Article 22. Relationship between Controllers**

The Supervisors have an independent relationship, not dependent on each other but have coordination and collaboration in common work to ensure good implementation of the responsibilities, rights and duties of the Supervisory Board according to the provisions of law and the Company's Charter. The Head of the Supervisory Board is the person who coordinates the common work of the Supervisory Board but does not have the right to control the Supervisors .

#### **Article 23. Relationship with the Executive Board**

The Board of Supervisors has an independent relationship with the Company's Board of Directors and is the unit that performs the function of supervising the Board of Directors' activities.



**Article 24. Relationship with the Board of Directors**

The Board of Supervisors has an independent relationship with the Company's Board of Directors and is the unit that performs the function of supervising the Board of Directors' activities.

**CHAPTER V II****TERMS OF IMPLEMENTATION****Article 25. Entry into force**

The operating regulations of the Board of Supervisors of Thai Nguyen Clean Water Joint Stock Company include VII chapters and 25 Articles. and takes effect from April 26 , 2025./ .

**TM. CHIEF SUPERVISION  
BOARD**

**Vu Khanh Lam**