

THANHCONG SECURITIES COMPANY



OPERATING REGULATIONS OF THE INSPECTION COMMITTEE

Ho Chi Minh City, February 26th, 2022

No:...../2022/QCBKS-TCSC

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OPERATION REGULATIONS OF THE INSPECTION COMMITTEE

- Pursuant to the Law on Securities No. 54/2019/QH14 dated 26th November, 2019;
- Pursuant to the Law on Enterprises No. 59/2020/QH14 dated 17th June, 2020;
- Pursuant to Decree No. 155/2020/NĐ-CP dated 31st December, 2020 detailing the implementation of a number of articles of the Law on Securities;
- Pursuant to the Circular No. 116/2020/TT-BTC dated 31st December, 2020 guiding a number of articles on corporate governance applicable to public companies in the Decree No. 155/2020/NĐ-CP dated 31st December, 2020 detailing the implementation of a number of articles of the Law on Securities;
- Pursuant to the Charter of ThanhCong Securities Company;
- Pursuant to the Resolution of the General Meeting of Shareholders dated 26th February, 2022;
- The Inspection Committee promulgates the Operating Regulation of the Inspection Committee of ThanhCong Securities Company;

The operating regulation of the Inspection Committee of ThanhCong Securities Company includes the following contents:

Chapter I

GENERAL PROVISIONS

Article 1. Scope of application and applicable subjects

1. Scope of application: The operating regulation of the Inspection Committee stipulates the organizational structure of personnel, criteria, conditions, rights and obligations of the Inspection Committee and its members in accordance with the Law on Enterprises, the Company's Charter and other relevant regulations.
2. Applicable subjects: The Inspection Committee and its members.

Article 2. Principles of operation of the Inspection Committee

The Inspection Committee operates on the principle of collective decision-making. Members of the Inspection Committee are individually responsible for their tasks and are jointly accountable to the General Meeting of Shareholders and the law for the tasks and decisions of the Inspection Committee.

Chapter II

MEMBERS OF THE INSPECTION COMMITTEE (CONTROLLER)

Article 3. Rights, obligations and responsibilities of members of the Inspection Committee

1. Complying with the law, the Company's Charter, resolutions of the General Meeting of Shareholders and professional ethics in exercising the assigned rights and obligations.
2. Performing the assigned rights and obligations honestly and prudently in the best interests to ensure the maximum lawful interests of the Company.
3. Being loyal to the interests of the Company and shareholders; not abusing position, title and using information, secrets, business opportunities and other assets of the Company for self-interest or serving the interests of other organizations and individuals.
4. Other obligations as prescribed by the Law on Enterprises and the Company's Charter.
5. In case the violation specified in Clauses 1, 2, 3 and 4 of this Article causes damage to the Company or other persons, members of the Inspection Committee must be individually or jointly responsible for such damage. Income and other benefits obtained by members of the Inspection Committee through violations must be returned to the Company.
6. Notifying the Inspection Committee by a written notice and requesting the violator to terminate the violation and remedy the consequences when a member of the Inspection Committee has a breach in exercising his/her assigned rights and obligations.

Article 4. Term and number of members of the Inspection Committee

1. The Inspection Committee has 03 members, the term of a member of the Inspection Committee shall not exceed 05 years and might be re-elected for an unlimited number of terms.
2. Members of the Inspection Committee are not required to be the shareholders of the Company.
3. The Inspection Committee must have more than half of its members permanently residing in Vietnam.
4. In case members of the Inspection Committee end their term at the same time but the members of the Inspection Committee for a new term have not been elected, such members shall continue to exercise rights and obligations until a new member is elected to replace them and take over their duties.

Article 5. Criteria and conditions for members of the Inspection Committee

Members of the Inspection Committee must meet the following criteria and conditions:

1. Not being subject to the provisions of Clause 2, Article 17 of the Law on Enterprises;
2. Having graduated in one of the majors in economics, finance, accounting, auditing, law, business administration or other majors suitable to the Company's business activities;
3. Not being a family member of a member of the Board of Directors, the General Director and other Executive Board;

4. Not being a member of Executive Board of the Company, not necessarily being a shareholder or employee of the Company;
5. Not working in the accounting and finance department of the Company;
6. Not being a member or employee of an approved auditing organization that has been auditing the Company's financial statements in the previous 03 consecutive years;
7. Other criteria and conditions as prescribed by relevant laws and the Company's charter.

Article 6. Head of the Inspection Committee

1. The Head of Inspection Committee must have at least a bachelor's degree in economics, finance, accounting, auditing, law, or business administration or majors related to the business activities of the enterprise.
2. The Head of the Inspection Committee shall be elected by the Inspection Committee from among members of the Inspection Committee; the election, removal and dismissal of office according to the majority principle.
3. The rights and obligations of the Head of the Inspection Committee are prescribed by the Company's Charter.

Article 7. Nomination, appointment for members of the Inspection Committee

The appointment and nomination of members of the Inspection Committee shall comply with the provisions of the Company's Charter and the Internal Regulations on corporate governance.

Article 8. Methods of election, removal and dismissal of members of the Inspection Committee

1. The election, removal and dismissal of members of the Inspection Committee are under the authority of the General Meeting of Shareholders.
2. Voting to elect members of the Board of Directors and the Inspection Committee must be implemented by the method of cumulative voting. Accordingly, each shareholder has total votes corresponding to their shareholding multiplied with number of members to be elected into the Board of Directors. Shareholders may accumulate all or a part of their votes to one or some candidates. The person who is elected to be a member of the Board of Directors or the IC (controller) is determined in accordance with the top-to-bottom vote quantity, starting from the candidate having the highest number of votes till sufficient members are available as prescribed by the Charter. If more than two (02) candidates have the same votes for the final member of this Board, re-voting shall be held among the candidates having the same vote quantity or be elected according to the criteria specified in the election regulations or the company's Charter.

Article 9. Cases of removal or dismissal of members of the Inspection Committee

1. The General Meeting of Shareholders dismisses members of the Inspection Committee in the following cases:
 - a) No longer meeting the criteria and conditions for being a member of the Inspection Committee as prescribed in Article 169 of the Law on Enterprises and Article 5 of this Regulation;
 - b) Having a letter of resignation and being approved;

- c) Other cases prescribed by the Company's charter.
2. The General Meeting of Shareholders dismisses members of the Inspection Committee in the following cases:
- a) Failing to complete assigned tasks and jobs;
 - b) Failing to exercise his/her rights and obligations for 06 consecutive months, except for force majeure;
 - c) Repeatedly violating, seriously violating the obligations of members of the Inspection Committee in accordance with the Law on Enterprises and the company's Charter;
 - d) Other cases according to the resolution of the General Meeting of Shareholders.

Article 10. Notice of election, removal and dismissal of members of the Inspection Committee

1. In case the candidates for the Inspection Committee have been identified, the Company must disclose information relating to the candidates at least ten (10) days before the opening date of the General Meeting of Shareholders on the Company's website so that shareholders can understand these candidates before voting, candidates for the Inspection Committee must provide a written commitment affirming truthfulness and accuracy of the disclosed personal information performing their duties with integrity, prudence and in the best interests of the Company if they are elected as a member of Inspection Committee. Disclosed Information relating to these candidates includes:
- a) Full name, date of birth;
 - b) Professional qualifications;
 - c) Working experience;
 - d) Other managerial positions;
 - e) Interests related to the Company and its related parties;
 - f) Other information (if any) as prescribed in the company's charter.
2. The Company must disclose information about any companies where the candidate is a member of other managerial positions and interests relating to the Company of the candidate of the Inspection Committee (if any).
3. The notification of the results of election, removal and dismissal of members of the Inspection Committee shall comply with the guiding regulations on disclosure information.

Chapter III

INSPECTION COMMITTEE

Article 11. Rights, obligations and responsibilities of the Inspection Committee

1. The Inspection Committee shall supervise the Board of Directors and the General Director in the management and operation of the Company.

2. Examining the reasonableness, legality, honesty and prudence in the management and operation of business activities; the systematic, consistent, and appropriate nature of accounting, statistical work, and financial reporting.
3. Evaluating the completeness, legality, and honesty of the Company's business performance report, annual and semi-annual financial statements, and management evaluation report of the Board of Directors, and presenting the evaluation reports at the Annual General Meeting of Shareholders. Reviewing contracts and transactions with related parties under the approval authority of the Board of Directors or the General Meeting of Shareholders and providing recommendations on contracts and transactions that require approval from the Board of Directors or the General Meeting of Shareholders.
4. Reviewing, examining and evaluating the efficiency and effectiveness of the Company's internal control system, internal audit, risk management and early warning.
5. Examining the Company's accounting books, accounting records and other documents, executing the Company's activities when deeming it necessary or according to the resolution of the General Meeting of Shareholders or at the request of shareholders or groups of shareholders specified in Clause 2, Article 115 of the Law on Enterprises.
6. Upon the request of shareholders or a group of shareholders as stipulated in Clause 2, Article 115 of the Law on Enterprise, the Inspection Committee shall conduct an inspection within 07 working days from the date the request is received. Within 15 days from the completion of the inspection, the Inspection Committee must report matters that are requested for inspection to the Board of Directors and the requesting shareholders or group of shareholders. The inspection conducted by the Inspection Committee under this clause must not obstruct the normal activities of the Board of Directors or disrupt the company's business operations.
7. Proposing the Board of Directors or the General Meeting of Shareholders to take measures to amend, supplement and improve the organizational structure of management, supervision and operation of the Company's business activities.
8. Sending to the Board of Directors an immediate written notice and requesting the violator to cease the violation and implement remedial measures when discovering that a member of the Board of Directors or the General Director has violated the provisions of Article 165 of the Law on Enterprises.
9. Attending and discussing at the General Meeting of Shareholders, the meeting of the Board of Directors and the Company.
10. Using independent consultants, the Company's internal audit department to perform assigned tasks.
11. The Inspection Committee may consult with the Board of Directors before submitting reports, conclusions and recommendations to the General Meeting of Shareholders.
12. Examining each specific issue related to the management and operation of the Company at the request of shareholders.
13. Requesting the Board of Directors to convene an extraordinary General Meeting of Shareholders.
14. Replacing 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 140 of the Law on Enterprises.

15. Proposing the Chairman of the Board of Directors to convene a meeting of the Board of Directors.
16. Examining, extracting and copying part or all of the declared contents of the List of related persons and related interests declared as prescribed in Clauses 1 and 2, Article 164 of the Law on Enterprises.
17. Proposing the General Meeting of Shareholders to approve the list of approved auditing organizations to audit the Company's financial statements; approved audit organization to inspect the Company's operation when deeming it necessary.
18. Being responsible to shareholders for their supervisory activities.
19. Supervising the financial status of the Company, the compliance with the law in the activities of members of the Board of Directors, General Director and other Executive Directors.
20. Ensuring coordination with the Board of Directors, General Director, and shareholders.
21. In case of detecting violations of law or violations of the company's Charter by members of the Board of Directors, the General Director and other executives of the Company, the Inspection Committee must notify the Board of Directors in writing within 48 hours and request the violators to terminate the violations and take remedial measures.
22. Formulating the Regulation on the operation of the Inspection Committee and submitting it to the General Meeting of Shareholders for approval.
23. Witnessing the Board of Directors in organizing vote counting and preparing the vote counting record if requested by the Board of Directors in cases of collecting written opinions to approve resolutions of the General Meeting of Shareholders.
24. The Head of the Inspection Committee shall preside over the General Meeting of Shareholders to vote for the chairman of the meeting in case the Chairman is absent or temporarily incapacitated and the remaining members of the Board of Directors cannot elect the chairperson. In this case, the person with the highest number of votes presides over the meeting.
25. Exercising other rights and obligations in accordance with the provisions of the Law on Enterprises, the Company's Charter and the Resolution of the General Meeting of Shareholders.

Article 12. The right to access information of members of the Inspection Committee

1. Documents and information must be sent to members of the Inspection Committee at the same time and in the same manner as members of the Board of Directors, including:
 - a) Invitation to the meeting, the written opinion ballots for members of the Board of Directors and enclosed documents;
 - b) Resolutions, decisions and minutes of the General Meeting of Shareholders and the meetings of Board of Directors;
 - c) The General Director's report to the Board of Directors or other documents issued by the Company.
2. Members of the Inspection Committee have the right to access the Company's dossiers and documents kept at the head office, branches, and other locations; having the right to go to the working place of the Company's managers and employees during working hours.

3. The Board of Directors, members of the Board of Directors, the General Director and other managers provide adequate, accurate and timely information and documents on the management, implementation, and business activities of the Company at the request of members of the Inspection Committee or the Inspection Committee.

Article 13. Responsibilities of the Inspection Committee in convening an Extraordinary General Meeting of Shareholders

1. The Inspection Committee shall be responsible for replacing the Board of Directors in convening the General Meeting of Shareholders within thirty (30) days in case the Board of Directors fails to convene a meeting of the General Meeting of Shareholders in the following cases:
 - a) The number of remaining members of the Board of Directors, the Inspection Committee is less than the quorum as prescribed by the laws;
 - b) At the request of shareholders or groups of shareholders specified in Clause 2, Article 115 of the Law on Enterprises;
 - c) The Inspection Committee requests an extraordinary General Meeting of Shareholders but the Board of Directors fails to do, except otherwise stipulated by the Company's Charter.
2. In case the Inspection Committee fails to convene the General Meeting of Shareholders as prescribed, the Inspection Committee must compensate the Company for the incurred damage.
3. The cost of convening and conducting the General Meeting of Shareholders as prescribed in Clause 1 of this Article will be refunded by the Company.

Chapter IV

THE MEETING OF THE INSPECTION COMMITTEE

Article 14. The Meeting of the Inspection Committee

1. The Inspection Committee meeting must be held at least two (02) times a year, the number of members attending the meeting must be at least two-thirds (2/3) of the members of the Inspection Committee.
2. The Inspection Committee has the right to request members of the Board of Directors, the General Director, and representatives of the auditing organization to be approved to attend and answer issues that need to be clarified.

Article 15. Minutes of the meeting of the Inspection Committee

The minutes of the Inspection Committee's meetings must be prepared in detail and clearly. The person recording the minutes and the members of the Inspection Committee attending the meeting must sign the meeting minutes. All meeting minutes must be archived to determine the responsibilities of each member of this Board.

Chapter V

REPORTING AND DISCLOSURE OF BENEFITS

Article 16. Annual Report Submission

The Reports of the Inspection Committee at the Annual General Meeting of Shareholders include the following contents:

1. Reporting on the business results of the Company, the Board of Directors, and the General Director to submit to the General Meeting of Shareholders for approval at the Annual General Meeting of Shareholders.
2. Self-assessment report on the performance of the Inspection Committee and members of the Inspection Committee.
3. Remuneration, operating expenses and other benefits of the Inspection Committee and each member of the Inspection Committee.
4. Summarizing the meetings of the Inspection Committee and the conclusions and recommendations of the Inspection Committee; the results of monitoring the Company's operation and financial status.
5. An evaluation report on transactions between the Company, its subsidiaries and other companies controlled by the Company (holding at least 50% of the total charter capital) and members of the Board of Directors or related persons of such members; transactions between the Company and the entities in which the Board of Directors' member is a founding shareholder or executive directors within the past three (03) years prior to the transaction.
6. Supervisory results for the Board of Directors, the General Director and other executive board managers.
7. The results of the evaluation of the coordination between the Inspection Committee and the Board of Directors, the General Director and shareholders.
8. Proposing 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 operation when deeming it necessary.

Article 17. Salary and other benefits

In case the company's Charter does not provide otherwise, salaries, remunerations, bonuses, and other benefits of members of the Inspection Committee shall comply with the following provisions:

1. Members of the Inspection Committee shall be paid salaries, remunerations, bonuses, and other benefits according to decisions of the General Meeting of Shareholders. The General Meeting of Shareholders shall decide on the total salary, remuneration, bonuses, other benefits, and annual operating budget of the Inspection Committee.
2. Members of the Inspection Committee are entitled to pay for meals, accommodation, travel, and expenses for using independent consulting services at a reasonable level. The total remuneration and expenses shall not exceed the total annual operating budget of the Inspection Committee approved by the General Meeting of Shareholders unless otherwise decided by the General Meeting of Shareholders.

3. The salary and operating expenses of the Inspection Committee shall be included in the Company's business expenses in accordance with the law on corporate income tax and other relevant provisions of the law and must be made into separate entries in the Company's annual financial statements.

Article 18. Disclosure of related benefits

1. Members of the Company's Inspection Committee must declare to the Company their relevant interests, including:
 - a) Name, enterprise code, address of the head office, business lines of the enterprise in which they hold contributed capital or shares; the ownership ratio and the timing of ownership of those shares or equity;
 - b) Name, enterprise code, address of the head office, business lines of the enterprise in which their related persons jointly hold or individually hold more than 10% of the charter capital.
2. The declaration specified in Clause 1 of this Article must be made within 07 working days from the date of arising related benefits; the amendment and supplement must be notified to the Company within seven (07) working days from the date of the corresponding amendment and supplement.
3. Members of the Inspection Committee and their related persons may only use the information obtained through their positions to serve the interests of the Company.
4. Members of the Inspection Committee are obliged to notify in writing to the Board of Directors and the Inspection Committee regarding the transactions between the Company, its subsidiaries and other companies controlled by the Company (holding at least 50% of the total charter capital) and members of the Inspection Committee or related persons of such members as prescribed by law. For the transactions mentioned above that are approved by the General Meeting of Shareholders or the Board of Directors, the Company must disclose information on these resolutions in accordance with securities laws on information disclosure.
5. Members of the Inspection Committee and their related persons are not allowed to use or disclose inside information to carry out relevant transactions.

Chapter VI

RELATIONSHIP OF THE INSPECTION COMMITTEE

Article 19. Relationship between members of the Inspection Committee

The members of the Inspection Committee maintain an independent relationship, free from mutual dependence but coordinate and collaborate in their common work to ensure the effective performance of the responsibilities, rights, and duties of the Inspection Committee according to the law and the Company's Charter. The Head of the Inspection Committee is the person who coordinates the overall work of the Board but does not have the authority to dominate the members of the Inspection Committee.

Article 20. Relationship with the executive directors.

The Inspection Committee operates independently with the Company's executive directors and supervises the activities of the executive directors.

Article 21. Relationship with the Board of Directors

The Inspection Committee operates independently with the Board of Directors and supervises the activities of the Board of Directors.

Chapter VII

IMPLEMENTATION TERMS

Article 22. Enforcement effect

The Operating Regulation of the Inspection Committee of ThanhCong Securities Company consists of 07 chapters, 22 articles and takes effect from February 26th, 2022.

**ON BEHALF OF THE INSPECTION COMMITTEE
THE HEAD OF THE INSPECTION COMMITTEE**

LE NGOC HUNG