

REGULATION ON OPERATION OF BOARD OF DIRECTORS

1st amendment, enclosed to

Resolution of General Meeting of Shareholders No. 02/2021/NQ-ĐHCD dated on April 6th, 2021

I. PURPOSE

This Regulation is only for reference for smooth management of Thanh Cong Textile Garment Investment Trading Joint Stock Company (hereinafter referred to as "**Company**"). Any other issues, which are not described in this Regulation, are applied according to the Charter of the Company, Internal Regulation on Corporate Governance of the Company, Law on Securities, Law on Enterprises and other related laws.

II. DEFINITIONS

1. In this Regulation, the following terminology shall be defined as follows;
 - a. "The Chairman" is a person, who is elected among members of the Board of Directors, who convene & preside the Board of Directors meeting and the General Meeting of Shareholders.
 - b. "The General Director" is a person in charge of management of the Company as the legal representative of the Company.
 - c. "Executive Members of the Board of Directors" are member who is holding executive positions such as: General Director, Deputy General Director, Chief Accountant and other executive person as defined in Company's Charter
 - d. "Non-executive Members of the Board of Directors" are member who are not General Director, Deputy General Director, Chief Accountant and other executive person as defined in Company's Charter.
 - e. "Independent Members of the Board of Directors" are members who meet requirements of independent member as defined at Company's Charter and in accordance with regulations of Law on Enterprises and Law on Securities.
 - f. "Managing Officials" is a person who is participating in management of the Company through helping the General Director and appointed by Board of Directors from time to time.
2. Terminologies used in this Regulation have the same meaning as defined in the Charter of the Company, or legal related documents (if not mentioned in the Charter of the Company)

III. SPECIFIC REGULATION

1. The General Shareholder's Meeting shall determine the particulars of Item No.1, 2 of the Article No.14 in the Charter of the Company.
2. The Board of Directors shall have the rights and obligations of Item 3 of the Article 25 in the Charter of the Company, and shall approve the particulars of Item 4 of the Article 25 in the Charter of the Company.

3. Operation Principle of Board of Directors

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- a. The Board of Directors works according to the collective principle. Members of the Board of Directors are personally responsible for their work and are jointly responsible before the General Meeting of Shareholders and the law for the resolutions and decisions of the Board of Directors for the development of the Company.
- b. The Board of Directors assigns responsibility to the General Director to organize and execute the implementation of the resolutions and decisions of the Board of Directors.

4. Rights and obligations of member of Board of Directors

- 4.1. Members of the Board of Directors have full rights in accordance with the Law on Securities, relevant laws and the Company's Charter, including the right to be provided with information and documents on financial and operational situation business of the Company and of the units in the Company.
- 4.2. Member of Board of Directors has obligations regulated in Company's Charter and following obligations:
 - a. To perform its duties honestly and prudently for the best interests of shareholders and the Company.
 - b. To attend all meetings of the Board of Directors and give comments on discussed issues.
 - c. To report fully and promptly to the Board of Directors remuneration received from subsidiaries, affiliates and other organizations.
 - d. To report to the Board of Directors at the latest meeting of transactions between the Company, subsidiaries, other companies controlled by the Company over 50% or more of the charter capital with members of the Board of Directors and other is related to that member; transactions between the Company and a company in which a member of the Board of Directors is a founding member or manager of an enterprise during the last 3 years prior to the transaction time.
 - e. To disclosure of information when trading shares of the Company in accordance with the law.
- 4.3. The independent members of the Board of Directors must prepare an evaluation report on the activities of the Board of Directors.

5. Rights of information of members of Board of Directors

- a. Members of the Board of Directors have the right to request the General Director, Deputy General Director and other managers in the Company to provide information and documents on the financial situation and business operations of the Company's units in the Company.
- b. Managers are required to promptly, fully and accurately provide information and documents at the request of members of the Board of Directors.

6. The Chairman and the Vice Chairman of the Board of Directors

- a. The Chairman and the Vice Chairman of the Board of Directors shall be elected by the majority of members of the Board of Directors;
- b. Tenure shall be 1(one) year and re-appointment is possible.
- c. The Chairman of the Board of Directors can resign voluntarily, or shall be dismissed by the majority of members of the Board of Directors;

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- d. The rights and obligations of the Chairman, Vice Chairman of the Board of Directors shall refer to the Charter of the Company
- e. The General Director shall help the Chairman of the Board of Directors convening and presiding the Board of Directors Meeting or the General Meeting of Shareholders with necessary support.

7. The General Director & the Deputy General Director of the Company

7.1 The General Director

- a. The General Director shall be elected by 2/3 acceptance of the members of the Board of Directors;
- b. Tenure shall be 3 (three) years and re-appointment is possible.
- c. The General Director can resign voluntarily, or shall be dismissed with at least the 2/3 acceptance of the members of the Board of Directors.
- d. The General Director, if he/she is a member of the Board of Directors, shall keep his position as a member of the Board of Directors even though he resigns or is dismissed.
- e. The rights and obligations of the General Director shall refer to the Charter of the Company
- f. The General Director is the Company's legal representative and final decision maker except the rights and obligation of the Chairman according to the Enterprise Law and the Securities Law.
- g. The detailed work scope of the General Director shall be according to Item 3 of Article No.33 in the Charter of the Company.

7.2 The Deputy General Director

- a. The Deputy General Director shall be elected by 2/3 acceptance of the members of the Board of Directors.
- b. The Deputy General Director can resign voluntarily, or shall be dismissed with at least the 2/3 acceptance of the members of the Board of Directors;
- c. The Deputy General Director, if he/she is a member of the Board of Directors, shall keep his position as a member of the Board of Directors even though he resigns or is dismissed.
- d. The rights and obligations of the Deputy General Director shall refer to appointment decision of Board of Directors.

8. Executive Members of the Board of Directors

- a. Members shall be elected through cumulative voting by the General Meeting of Shareholders and participate in management of the Company directly.
- b. Tenure shall be 5 (five) years and re-appointment is possible.
- c. Members can resign voluntarily, or shall be dismissed by more than 50% (fifty percent) acceptance of the total votes of the Shareholders with voting right, who are present in person or via their authorized representatives at the General Meeting of Shareholders or other voting methods of the General Meeting of Shareholders. An individual is no longer member of Board of Directors by an effective resolution of General Meeting of Shareholders.

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- d. Members shall participate in management of the Company through the meeting of the Board of Directors, and they shall carry out their tasks according to the Charter of the Company.
- e. In principle, the Members may receive remuneration for their work as members of the Board of Directors. The members performing other tasks which lie outside the routine tasks of a member of the Board of Directors may be paid with additional remuneration in forms of a package remuneration for each time, wages, commission, percentage of benefits, or in other forms decided by the Board of Directors according to the General Director's suggestion (in accordance with provisions of Article 25.9 of the Charter).

9. Non-executive Members of the Board of Directors

- a. Members who do not participate in management of the Company directly but have a certain relationship with Company and shall be elected through cumulative voting by General Meeting of Shareholders.
- b. Tenure shall be 5 (five) years and re-appointment is possible.
- c. Members can resign voluntarily, or shall be dismissed by more than 50% (fifty percent) of the total votes of the Shareholders with voting right, who are present in person or via their authorized representatives at the General Meeting of Shareholders or other voting methods of the General Meeting of Shareholders. An individual is no longer member of Board of Directors by an effective resolution of General Meeting of Shareholders.
- d. Members shall participate in management of the Company through the meeting of the Board of Directors.
- e. Members, if necessary, may do the tasks that the General Director authorizes for the Members to do.
- f. Members may ask the General Director through the Secretary of the Board of Directors about the related information or documents. If the General Director decides it is necessary, he may give the related information or documents to Members. In case that the General Director cannot give those information or documents to Members, he shall explain to Members why he cannot give.
- g. In principle, the Members may receive remuneration for their work as members of the Board of Directors (in accordance with provisions of Article 25.7 of the Charter).

10. Independent Members of the Board of Directors

- a. Members who are independent in his behavior, personality, judgment and no relationship with the Company, related companies, major shareholders or with Managing Officials of the Company and shall be elected through cumulative voting by General Meeting of Shareholders.
- b. Tenure shall be 5 (five) years and re-appointment is possible but maximum is not over two (02) continuous tenures.
- c. Members can resign voluntarily, or shall be dismissed by more than 50% (fifty percent) of the total votes of the Shareholders with voting right, who are present in person or via their authorized representatives at the General Meeting of Shareholders or other voting

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methods of the General Meeting of Shareholders. A person is no longer member of Board of Directors by an effective resolution of General Meeting of Shareholders.

- d. Members shall participate in management of the Company through the meeting of the Board of Directors.
- e. Members may ask the General Director through the Secretary of the Board of Directors about the related information or documents. If the General Director decides it is necessary, he may give the related information or documents to Members. In case that the General Director cannot give those information or documents to Members, he shall explain to Members why he cannot give.
- f. In principle, the Members may receive remuneration for their work as members of the Board of Directors (in accordance with provisions of Article 25.9 of the Charter)

11. Managing Officials of the Company

- a. The Managing Officials shall be appointed by the General Director and at least the 50% (fifty percent) approval of the members of the Board of Directors.
- b. Tenure shall be according to the labor contract with the Company.
- c. The Managing Officials, except CFO or Chief Accountant, shall be dismissed by the General Director's decision; however this dismissal is not in contravention of the provisions of the current labor legislation.
- d. In case of the General Director's request, the Managing Officials may attend the meeting of the Board of Directors and make a statement regarding management of the Company, but they shall not have rights to vote.
- e. The Managing Officials shall make a contribution for the development of the Company.
- f. The General Director shall decide the level of the salary for the Managing Officials. In case of CFO or Chief Accountant, the salary shall be approved by the majority of the members of the Board of Directors.

IV. The Regulations of the meeting of the Board of Directors.

1. The activities of the Board of Directors are in compliance with the laws and the Charter of the Company.
2. The regular meetings are defined as follows:

No.	Frequency	Time	Attendants	Content
1	Yearly	Before the General Meeting of Shareholders	Members of the Board of Directors, the Secretary of the Board of Directors.	1. The organization, materials, personnel and other issues related to the organization of the General Meeting of Shareholders 2. Report on the activities of the Company and the proposal suggested for the review of the Board of

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				Director.
2	Quarterly	The first 10 ~ 30 day of the following quarter	Members of the Board of Directors, the Secretary of the Board of Directors	The issues under the authority of the Board of Directors

3. If necessary, the irregular meeting of the Board of Directors may be held according to Item 3 of Article No.27 of the Charter of the Company.
4. The Chairman of the Board of Directors guide the preparation of the content at the regular meeting for the review of the Board of Directors, or submit for the General Meeting of Shareholders' approval . In case of irregular meeting, the member who calls for the meeting is responsible to prepare the content and supported documents for the meeting. In case that members have issues to put in the agenda of the meeting, these suggestions must be sent to the Chairman of the Board of Directors before the meeting of the Board of Directors starts for review.
5. The Minutes of the meetings of the Board of Directors will be sent to each member of the Board of Directors. Within 3 working days from the sent date, if the members of the Board of Directors have no comments on the minutes, the minutes will be considered to be agreed by the members of the Board of Directors. The content of the meeting of the Board of Directors will be recorded and stored within 18 (eighteen) months by the Secretary of the Board of Directors from the date of the meeting.
6. Resolutions, decisions of the Board of Directors which are passed by voting with the majority of members (including authorized representatives) will take effect immediately. Resolution of Board of Directors includes signature of all member of Board of Directors (including authorized representatives). Decision of Board of Directors has signature of Chairman.
7. Depending on the nature of the meeting, in case of the request from the members of the Board of Directors, the Chairman of the Board of Directors may expand the attendant to the meeting.
8. In case of getting opinion via email, a member of Board of Directors shall vote via email and can authorize in written for other member of Board of Directors for signing in the Resolution.

V. RELATIONSHIP OF BOARD OF DIRECTORS

1. Relationship between members of Board of Directors

- a. Relationship between members of the Board of Directors is coordination relationship, members of the Board of Directors are responsible for informing each other about relevant issues in the process of handling assigned work..
- b. In the process of handling the work, the member of the Board of Directors who is assigned the main responsibility must actively coordinate to handle, if there is a problem related to the field by another member of the Board of Directors. In case the members of the Board of Directors have different opinions, the member responsible for the main

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responsibility shall report to the Chairman of the Board of Directors for consideration and decision according to his / her competence or hold a meeting or collect opinions of the members. Board of Directors in accordance with the law, the Company Charter and this Regulation

- c. In case of reassignment among the members of the Board of Directors, the members of the Board of Directors must hand over their work, documents and related documents. This handover must be made in writing and reported to the Chairman of the Board of Directors on such handover.

2. Relationship with the Board of Management

In the role of governance, the Board of Directors issues the resolutions for the General Director and the executive apparatus to implement. At the same time, the Board of Directors checks and supervises the implementation of the resolutions.

3. Relationship with Audit Committee

- a. The relationship between the Board of Directors and the Audit Committee is a coordination relationship. The working relationship between the Board of Directors and the Audit Committee follows the principles of equality and independence, and at the same time closely cooperates and supports each other in the process of implementing the tasks.
- b. Upon receiving the inspection minutes or the general report of the Audit Committee, the Board of Directors is responsible for studying and directing the relevant departments to develop the plan and implement the timely correction.

VI. MODIFICATION

1. During the implementation, see the need for additional amendments to this Regulation in accordance with the business of the Company, with the current Law, the members of the Board of Directors may propose the modifications.
2. In cases, the changes in the Charter of the Company related to the activities of the Board of Directors, this Regulation will be amended and supplemented respectively with the changes in the Charter of the Company.
3. Decision on modifications of this Regulation will be effective subject to be approved by the majority of the present members of the Board of Directors. The Chairman of the Board of Directors is responsible to announce of the modifications within 3 working days from the date of the approval from the Board of Directors.

This Regulation is made into Vietnamese and translated into English, any discrepancy between the two languages, the Vietnamese version is prevail for explanation.

**ON BEHALF OF BOARD OF DIRECTORS
CHAIRWOMAN**

(Sign, full name and seal)