



**REGULATIONS ON THE OPERATION OF THE BOARD OF  
DIRECTORS OF HYDRAULICS CONSTRUCTION CORPORATION NO.4  
- JOINT STOCK COMPANY**

*Pursuant to:*

- *The Law on Securities dated November 26, 2019 and relevant guiding documents;*
- *The Law on Enterprises dated June 17, 2020 and relevant guiding documents;*
- *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;*
- *Circular No. 116/2020/TT-BTC dated December 31, 2020 of the Minister of Finance guiding a number of articles on corporate governance applicable to public companies under 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;*
- *Resolution of the General Meeting of Shareholders No. 01/2025/NQ/TCT-DHĐCĐ dated April 28, 2025;*
- *The 18th amended and supplemented Charter of Hydraulics Construction Corporation No.4 - Joint Stock Company approved by the 2025 Annual General Meeting of Shareholders on April 28, 2025;*

The Board of Directors promulgates the Regulations on the Operation of the Board of Directors of Hydraulics Construction Corporation No.4 - Joint Stock Company, including the following contents:

**CHAPTER I.  
GENERAL PROVISIONS**

**Article 1. Scope of Adjustment and Applicable Subjects**

1. Scope of Adjustment: The Regulations on the Operation of the Board of Directors of Hydraulics Construction Corporation No.4 - Joint Stock Company stipulate the organizational structure of personnel, operating principles, powers and obligations of the Board of Directors and members of the Board of Directors to operate in accordance with the provisions of the Law on Enterprises, the Law on Securities, the Charter and other relevant legal regulations.
2. Applicable Subjects: These Regulations apply to the BOD, BOD members, and other individuals related to the activities of the BOD.

**Article 2. Operating Principles of the BOD**

1. The BOD works on the principle of collectivity. BOD members are personally responsible for the performance of assigned tasks, and at the same time, all are jointly responsible to the General Meeting of Shareholders and before the law for the Resolutions/Decisions of the BOD for the development of the Company.
2. The BOD and BOD members exercise their rights and obligations as prescribed by law, the Charter and internal management regulatory documents of the Company; handle work within the scope of assigned authority and responsibility; ensure compliance with the procedures, regulations of law, the State, the Charter and internal management regulatory documents of the Company.

3. The BOD assigns responsibility to the General Director to organize and implement the Resolutions/Decisions of the BOD.

### **Article 3. Interpretation of Terms**

1. The following terms are understood as follows:
  - a. **“Regulations”** : means these Regulations on the Operation of the Board of Directors of Hydraulics Construction Corporation No.4 - Joint Stock Company.
  - b. **“Charter”** : means the 18th amended and supplemented Charter of Hydraulics Construction Corporation No.4 - Joint Stock Company approved by the 2025 Annual General Meeting of Shareholders on April 28, 2025 and amendments and supplements to the Charter from time to time.
  - c. **“GMS”** : means the General Meeting of Shareholders.
  - d. **“BOD”** : means the Board of Directors.
2. Unless the context provides otherwise, terms defined in the Company's Charter shall have the same meaning as defined in these Regulations.
3. In these Regulations, references to one or more articles or legal documents shall include amendments, supplements or replacement documents for those documents.

## **CHAPTER II. MEMBERS OF THE BOARD OF DIRECTORS**

### **Article 4. Rights and Obligations of BOD Members**

1. BOD members have all rights as prescribed by relevant laws and the Charter, including the right to be provided with information and documents on the financial situation and business activities of the Company and its units.
2. BOD members have obligations as prescribed in the Charter and the following obligations:
  - a. Perform their duties honestly and carefully for the best interests of shareholders and the Company.
  - b. Fully attend BOD meetings and provide opinions on issues brought up for discussion.
  - c. Report promptly and fully to the BOD on remuneration received from subsidiaries, affiliates and other organizations.
  - d. Report to the BOD at the nearest meeting on transactions between the Company, subsidiaries, other companies controlled by the Company with more than 50% of charter capital with BOD members and related persons of that member; transactions between the Company and companies in which BOD members are founding members or Company Managers within the last 03 years before the transaction.
  - e. Make information disclosure when trading shares of the Company in accordance with legal regulations.
3. Independent BOD members of the Company must prepare an evaluation report on the activities of the BOD.

### **Article 5. Right to Information Provision of BOD Members**

1. BOD members have the right to request the General Director, Deputy General Directors, and other Managers in the Company to provide information and documents on the financial situation and business activities of the Company and its units.

2. Company Managers who are requested must provide timely, complete and accurate information and documents as requested by BOD members.

#### **Article 6. Term of Office and Number of BOD Members**

1. The number of BOD members is from three (03) to seven (07) people. The specific number of members for each term is decided by the GMS.
2. The term of office of a BOD member is no more than five (05) years and may be re-elected with an unlimited number of terms. An individual may only be elected as an independent BOD member of a company for no more than two (02) consecutive terms.
3. In case a BOD member is elected to supplement or replace a dismissed/removed BOD member, the term of office of this new member is the remaining term of the BOD. In case all BOD members end their term, those members continue to be BOD members until new members are elected to replace and take over the work, unless the Company's Charter provides otherwise.

#### **Article 7. Standards and Conditions of BOD Members**

1. BOD members must meet the following standards and conditions:
  - a. Not subject to the provisions of Clause 2, Article 17 of the Law on Enterprises.
  - b. Have professional qualifications and experience in business administration or in the field and industry of the Company's business and are not necessarily shareholders of the Company.
  - c. BOD members may concurrently be BOD members of other companies.
  - d. Other standards and conditions as prescribed by the Charter and internal corporate governance regulations.
2. Standards for independent BOD members:

In addition to the regulations on standards for BOD members as prescribed in Clause 1 of this Article, independent BOD members must also meet the following conditions:

- a. Not currently working for the Company, its parent company or its subsidiaries; not having worked for the Company, its parent company or its subsidiaries for at least the last 03 consecutive years;
- b. Not currently receiving salaries or remuneration from the company, except for allowances that BOD members are entitled to under regulations;
- c. Not having a spouse, biological parents, adoptive parents, biological children, adoptive children, siblings who are major shareholders of the Company; are managers of the Company or its subsidiaries;
- d. Not directly or indirectly owning at least 01% of the total voting shares of the Company;
- e. Not having been a BOD member of the Company for at least the last 05 consecutive years, except for continuous appointments for 02 terms;
- f. Other standards and conditions as prescribed by the Charter and internal corporate governance regulations.

Independent BOD members must notify the BOD of their failure to meet the standards and conditions as prescribed by law and the Charter.

3. Independent BOD members must notify the BOD of their failure to meet the standards and

conditions prescribed in Clause 2 of this Article and automatically cease to be independent BOD members from the date of failure to meet the above standards and conditions. In that case, depending on the decision of the BOD, that member will not participate in the Company's activities as a BOD member. The BOD must notify the case where an independent BOD member no longer meets the standards and conditions at the nearest GMS meeting or convene a GMS meeting to elect additional or replace independent BOD members within 06 months from the date of receiving the notice from the relevant independent BOD member.

4. After automatically losing their status, BOD members are still responsible for their decisions during their term of office.

#### **Article 8. Chairman of the BOD**

1. The Chairman of the BOD is elected, dismissed and removed by the BOD from among the BOD members.
2. The Chairman of the BOD may not concurrently hold the position of General Director.
3. The Chairman of the BOD has the following rights and obligations:
  - a. Develop the BOD's operating program and plan.
  - b. Prepare or organize the preparation of the program, content, and documents for meetings; convene, preside over and chair the GMS meetings and BOD meetings.
  - c. Organize the approval of the BOD's resolutions and decisions.
  - d. Supervise the organization of the implementation of the BOD's Resolutions/Decisions.
  - e. Ensure that the BOD sends annual financial statements, reports on the Company's activities; audit reports and inspection reports of the BOD to shareholders at the GMS meeting.
  - f. Sign the BOD's Resolutions/Decisions on behalf of the BOD.
  - g. Sign labor contracts with the General Director on behalf of the BOD.
  - h. Assign tasks to BOD members, evaluate the performance of each BOD member, and the BOD's committees.
  - i. Other rights and obligations as prescribed by the Law on Enterprises and the Charter.
4. In case the Chairman of the BOD is absent or unable to perform their duties, they must authorize in writing the Vice Chairman of the BOD or another BOD member to perform the rights and obligations of the Chairman of the BOD. In case there is no authorized person or the Chairman of the BOD dies, is missing, is detained, is serving a prison sentence, is serving administrative handling measures at a compulsory detoxification center, compulsory education center, escapes from their place of residence, is restricted or loses civil act capacity, has difficulties in cognition and behavior control, is prohibited by the Court from holding positions, prohibited from practicing professions or doing certain jobs, the Vice Chairman of the BOD (if any) automatically assumes the role of Acting Chairman of the BOD until the remaining BOD members elect one of the members to hold the position of Chairman of the BOD according to the principle of majority approval of the remaining members.
5. When deemed necessary, the BOD decides to appoint the Company Secretary. The Company Secretary has the rights and obligations as prescribed by the Law on Enterprises and the Charter.

#### **Article 9. Dismissal, Removal, Replacement and Supplementation of BOD Members**

1. The GMS dismisses BOD members in the following cases:
  - a. Not meeting the standards and conditions for being a BOD member as prescribed by law and the Company's Charter.

- b. Having a resignation letter and being approved.
  - c. Being dismissed by decision of the GMS if the GMS deems it necessary.
  - d. Other cases specified in the Charter.
2. The GMS removes BOD members in the following cases:
  - a. Not participating in BOD activities for 06 consecutive months, except in cases of force majeure.
  - b. Being removed by decision of the GMS if the GMS deems it necessary.
  - c. Other cases specified in the Charter.
3. When deemed necessary for the interests of the Company, the BOD may submit to the GMS for consideration and decision on replacing BOD members; dismissing or removing BOD members in addition to the cases specified in Clauses 1 and 2 of this Article.
4. The BOD must convene a GMS meeting to elect additional BOD members in the following cases:
  - a. The number of BOD members is reduced by more than 1/3 compared to the number specified in the Charter. In this case, the BOD must convene a GMS meeting within 60 days from the date the number of members is reduced by more than 1/3;
  - b. The number of independent BOD members is reduced, not ensuring the ratio prescribed by law and the Charter;
  - c. Except for the cases specified in points (a) and (b) of this clause, the BOD will submit to the GMS to elect new members to replace dismissed or removed BOD members at the nearest meeting.

#### **Article 10. Methods of Election, Dismissal, Removal of BOD Members**

1. Shareholders or groups of shareholders owning 10% or more of the total common shares have the right to nominate candidates for the BOD.
2. Shareholders holding less than 10% of the total common shares have the right to combine their voting shares to meet the conditions for nominating BOD members.
3. Common shareholders forming a group to nominate candidates for the BOD must notify the meeting of the group to the attending shareholders before the GMS opens in accordance with the Company's Charter.
4. If the number of BOD candidates through nomination and candidacy is still insufficient as prescribed in Clause 5, Article 115 of the Law on Enterprises, the incumbent BOD shall introduce additional candidates or organize nominations in accordance with the Charter, internal corporate governance regulations and the BOD's operating regulations. The incumbent BOD's introduction of additional candidates must be clearly announced before the GMS votes to elect BOD members in accordance with legal regulations.
5. The voting to elect BOD members must be carried out by cumulative voting, whereby each shareholder has a total number of voting shares corresponding to the total number of shares owned multiplied by the number of members to be elected of the BOD and shareholders have the right to cast all or part of their total votes for one or more candidates. The elected BOD members 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 Charter is reached. In case 02 or more candidates have the same number of votes for the last BOD member, a re-election will be held among the candidates with the same number of votes or selection will be made according to the election regulations.

6. The election, dismissal and removal of BOD members are decided by the GMS on a voting basis.
7. The election, dismissal and removal of BOD members must comply with other regulations in the Charter and internal corporate governance regulations.

#### **Article 11. Notification of Election, Dismissal, Removal of BOD Members**

1. In case BOD candidates have been identified, the Company must disclose information related to the candidates at least 10 days before the GMS meeting opens on the Company's electronic information page so that shareholders can learn about these candidates before voting. BOD candidates must have a written commitment to the honesty and accuracy of the disclosed personal information and must commit to performing their duties honestly, carefully and for the best interests of the Company if elected as BOD members. The information related to BOD candidates disclosed includes:
  - a. Full name, date, month, year of birth.
  - b. Professional qualifications.
  - c. Work history.
  - d. Other management positions (including BOD positions of other companies).
  - e. Related interests to the Company and related parties of the Company.
  - f. Other information (if any) as specified in the Charter.
  - g. Information about companies where the candidate holds the position of BOD member, other management positions and related interests to the candidate's company (if any).
2. The notification of the results of the election, dismissal and removal of BOD members shall be carried out in accordance with the guidance on information disclosure.

### **CHAPTER III. BOARD OF DIRECTORS**

#### **Article 12. Rights and Obligations of the BOD**

Implemented in accordance with the provisions of Article 27 of the Company's Charter, Article 23 of the Internal Corporate Governance Regulations and other relevant regulations.

#### **Article 13. Duties and Powers of the BOD in Approving and Signing Transaction Contracts**

1. The BOD approves contracts and transactions with a value equal to or less than 35% or transactions that result in the total value of transactions arising within 12 months from the date of the first transaction having a value of less than 35% of the total asset value recorded in the most recent financial statement between the Company and one of the following subjects:
  - a. BOD members, General Director, Deputy General Directors, Chief Accountant, other Company Managers and related persons of these subjects.
  - b. Shareholders, authorized representatives of shareholders owning over 10% of the total common shares of the Company and their related persons.
  - c. Enterprises related to the subjects specified in Clause 2, Article 164 of the Law on Enterprises.
2. The Company's representative signing the contract or transaction must notify the BOD of the related parties to that contract or transaction and send a draft contract or the main content of the transaction. The BOD decides on the approval of the contract or transaction within 15 days from the date of receipt of the notice; BOD members with related interests to the parties in the

contract or transaction do not have voting rights.

#### **Article 14. Responsibilities of the BOD in Convening Extraordinary GMS Meetings**

1. The BOD must convene an extraordinary GMS meeting in the cases specified in Clause 2, Article 5 of the Internal Corporate Governance Regulations.
2. The convener of the GMS meeting must perform the following tasks:
  - a. Prepare a list of shareholders entitled to attend the meeting.
  - b. Provide information and resolve complaints related to the list of shareholders.
  - c. Prepare the program and content of the meeting.
  - d. Prepare documents for the meeting.
  - e. Draft the GMS's Resolution according to the expected content of the meeting; list and detailed information of candidates in case of electing BOD members and Supervisory Board members.
  - f. Determine the time and place of the meeting.
  - g. Send meeting invitation notices to each shareholder entitled to attend the meeting in accordance with the Law on Enterprises.
  - h. Other tasks serving the meeting.

#### **Article 15. Assisting Apparatus of the BOD**

1. The BOD may establish directly affiliated Committees/Subcommittees to support the BOD's activities in accordance with the Law on Enterprises and Article 31 of the Company's Charter. The Committees/Subcommittees are responsible for researching, advising and reporting to the BOD on the contents requested by the BOD and the contents under the responsibility of each Committee/Subcommittee as prescribed.
2. The implementation of the decisions of the BOD or the directly affiliated Committees/Subcommittees of the BOD must be in accordance with legal regulations and the Company's Charter.
3. The BOD may establish professional teams including one or more BOD members and one or more persons who are not BOD members if deemed necessary, with a BOD member as the Team Leader to appraise and/or advise the BOD to consider and approve issues within the authority and responsibility of the BOD.
4. The BOD may request Departments/Offices/Centers/Units and/or officers and employees of the Company to consider and advise the BOD on related issues.
5. The BOD may invite consultants to conduct research and appraisal regularly or for specific tasks.

### **CHAPTER IV. BOARD OF DIRECTORS MEETINGS**

#### **Article 16. BOD Meetings**

BOD meetings are conducted in accordance with the provisions of Article 30 of the Charter and Article 26 of the Company's Internal Corporate Governance Regulations.

#### **Article 17. BOD Meeting Minutes**

BOD meeting minutes are prepared in accordance with the provisions of Clause 6, Article 26 of the Company's Internal Corporate Governance Regulations.

## **CHAPTER V. REPORTING AND DISCLOSURE OF INTERESTS**

### **Article 18. Submission of Annual Reports**

1. At the end of the fiscal year, the BOD must submit the following reports to the GMS:
  - a. Report on the Company's business results.
  - b. Financial statements.
  - c. Report on the evaluation of the Company's management and administration.
2. The reports specified in Clauses 1 and 2 of this Article and the audit report must be kept at the Company's head office no later than 10 days before the opening date of the annual GMS meeting. Shareholders owning shares of the Company continuously for at least 01 year have the right to directly review the reports specified in this Article themselves or together with practicing lawyers, accountants and auditors.

### **Article 19. Remuneration, Bonuses and Other Benefits of BOD Members**

Implemented in accordance with the provisions of Article 28 of the Company's Charter.

### **Article 20. Disclosure of Related Interests**

1. BOD members must declare to the Company their related interests, including:
  - a. Name, business code, head office address, business line of the enterprise in which they own contributed capital or shares; the ratio and time of ownership of that contributed capital or shares.
  - b. Name, business code, head office address, business line of the enterprise in which their related persons jointly or separately own contributed capital or shares of over 10% of 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 interests; amendments and supplements must be notified to the Company within 07 working days from the date of corresponding amendments and supplements.
3. BOD members acting on their own behalf or on behalf of others to perform work in any form within the scope of the Company's business activities must explain the nature and content of that work to the BOD and may only be performed with the approval of the majority of the remaining BOD members; if performed without declaration or without the approval of the BOD, all income from that activity belongs to the Company.

## **CHAPTER VI. RELATIONSHIPS OF THE BOARD OF DIRECTORS**

### **Article 21. Relationships Between BOD Members**

1. The relationship between BOD members is a coordinating relationship, BOD members are responsible for informing each other of relevant issues in the process of handling assigned work.
2. In the process of handling work, the assigned BOD member who is primarily responsible must proactively coordinate the handling, if there are issues related to the field assigned to other BOD members.



In case there are still different opinions between BOD members, the primarily responsible member reports to the BOD Chairman for consideration and decision within their authority or organizes meetings or seeks the opinions of BOD members in accordance with legal regulations, the Charter, internal corporate governance regulations and these Regulations.

3. In case of reassignment between BOD members, BOD members must hand over work, records and related documents. This handover must be made in writing and reported to the BOD Chairman.

## **Article 22. Relationship with the Board of Management**

1. The BOD ensures to create all favorable conditions in terms of mechanisms, policies, human resources and facilities for the Board of Management to complete their assigned tasks.
2. The BOD decides on the structure of the Board of Management, approves the General Director's proposal on the assignment of tasks to the Deputy General Directors for the General Director to sign the assignment document on the basis of compliance with legal regulations, the Company's Charter and the Company's internal regulations.
3. The Resolutions and Decisions of the BOD are binding throughout the Company. When organizing the implementation of the BOD's Resolutions and Decisions, if issues detrimental to the Company are discovered, the General Director is responsible for requesting the BOD to consider and adjust accordingly.
4. The BOD Chairman attends or authorizes another BOD member to attend management meetings and meetings to prepare content to be submitted to the BOD chaired by the General Director.
5. At BOD meetings, the BOD Chairman or the meeting chair decides to invite relevant Deputy General Directors or Block Directors, Department Heads/Deputy Heads to attend the meeting, report specific work and provide opinions (if any) based on the meeting content.
6. The Board of Management is responsible for creating all favorable conditions for BOD members to perform their assigned tasks and access information and reports in the fastest time.
7. Quarterly, the BOD organizes meetings with the Board of Management to review and evaluate the results of task implementation in the quarter, and if necessary, may convene monthly meetings to directly direct the work to be performed.
8. In case of discovering risks or incidents that may significantly affect the Company's reputation or business activities or other necessary matters, the Board of Management must immediately report to the BOD Chairman and the BOD members directly responsible for that work area for timely direction and resolution.

## **Article 23. Relationship with the Audit Committee**

1. The relationship between the BOD and the Audit Committee is a coordinating relationship. The working relationship between the BOD and the Audit Committee is based on the principle of independence, while closely coordinating and supporting each other in the performance of tasks; at the same time, the BOD is responsible for directing and supervising the rectification and handling of violations according to the Audit Committee's recommendations.
2. The BOD Chairman ensures that all Audit Committee members are invited to attend all regular and extraordinary BOD meetings.
3. The BOD ensures that all copies of financial information and other information provided to BOD members, as well as resolutions, decisions and meeting minutes of the BOD are provided


to Audit Committee members along with the provision to BOD members.

4. Upon receiving inspection minutes or summary reports of the Audit Committee's inspection, the BOD Chairman (or authorized Vice Chairman of the BOD) must study and direct the Board of Management to coordinate in developing a consolidation and rectification plan. The BOD, within its authority, must take measures or direct the Board of Management to seriously handle relevant departments and individuals who avoid, delay or refuse to correct errors and rectify violations after the Audit Committee's inspection.

## **CHAPTER VII. IMPLEMENTATION PROVISIONS**

### **Article 24. Effectiveness**

1. The Regulations on the Operation of the Board of Directors of the Company consist of 7 chapters, 24 articles and take effect from April 28, 2025 and replace the previous Regulations.
2. Contents not specified in these Regulations are implemented in accordance with current legal regulations, the Company's Charter and/or the Company's internal corporate governance regulations.
3. In case of changes in the law or conflicts between these Regulations and the provisions of the Company's Charter and the Company's internal corporate governance regulations, relevant legal regulations, the Charter and the Company's internal corporate governance regulations shall prevail.

*Hồ Chí Minh City, April 28, 2025*  
**ON BEHALF OF THE BOARD OF DIRECTORS**  
**CHAIRMAN**  
  
**NGUYEN DINH QUYEN**