



**KHANH HOA
WATER SUPPLY AND SEWERAGE
JOINT STOCK COMPANY**

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom – Happiness

Khanh Hoa, April 24, 2026

OPERATING REGULATIONS OF THE BOARD OF SUPERVISORS

Pursuant to the Securities Law consolidated under Document No. 24/VBHN-VPQH as approved by the National Assembly of the Socialist Republic of Vietnam on February 26, 2025;

Pursuant to the Law on Enterprises dated June 17, 2020; Law No. 76/2025/QH15 on Amendments to several articles of the Law on Enterprises as approved by the National Assembly of the Socialist Republic of Vietnam on June 17, 2025;

Pursuant to the Law on Management and Investment of State Capital in Enterprises No. 68/2025/QH15 dated June 14, 2025;

Pursuant to Decree No. 155/2020/NĐ-CP dated December 31, 2020, of the Government providing detailed regulations on the implementation of several articles of the Law on Securities; Decree No. 245/2025/NĐ-CP dated September 11, 2025, of the Government on Amendments to several articles of Decree No. 155/2020/NĐ-CP dated December 31, 2020, of the Government;

Pursuant to Decree No. 47/2021/NĐ-CP dated April 01, 2021, of the Government providing detailed regulations on the implementation of several articles of the Law on Enterprises;

Pursuant to Decree No. 366/2025/NĐ-CP dated December 31, 2025, of the Government providing detailed regulations on the implementation of several articles of the Law on Management and Investment of State Capital in Enterprises;

Pursuant to Circular No. 116/2020/TT-BTC dated December 31, 2020, of the Minister of Finance providing guidance on several articles on corporate governance applicable to public companies in Decree No. 155/2020/ND-CP dated December 31, 2020, of the Government providing detailed regulations on the implementation of several articles of the Law on Securities;

Pursuant to the Charter of Khanh Hoa Water Supply and Sewerage Joint Stock Company;

Pursuant to the Resolution of the General Meeting of Shareholders dated April 24, 2026;

The Board of Supervisors issues the Operating Regulations of the Board of Supervisors of Khanh Hoa Water Supply and Sewerage Joint Stock Company.

The Operating Regulations of the Board of Supervisors of Khanh Hoa Water Supply and Sewerage Joint Stock Company include the following contents:

Chapter I
GENERAL PROVISIONS

Article 1. Scope of regulation and subjects of application

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 its members in accordance with the Law on Enterprises, the Company Charter, and other relevant regulations.

2. Subjects of application: The Operating Regulations of the Board of Supervisors apply to the Board of Supervisors and members of the Board of Supervisors.

Article 2. Operating Principles of the Board of Supervisors

The Board of Supervisors works on the principle of collective action and members of the Board of Supervisors shall have the right to reserve their opinions. Members of the Board of Supervisors are personally responsible for their assigned tasks and are jointly responsible before the General Meeting of Shareholders, the law for the work and decisions of the Board of Supervisors.

The Board of Supervisors shall operate independently from the Board of Directors and the Board of Management; perform supervision based on compliance with the law, and the preservation and development of State capital in the enterprise; and ensure objectivity, truthfulness, and prudence, while being held accountable to the General Meeting of Shareholders and the owner's representative agency.

Chapter II

MEMBERS OF THE BOARD OF SUPERVISORY (SUPERVISORS)

Article 3. Rights, obligations, and responsibilities of Members of the Board of Supervisors

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

2. Exercise assigned rights and obligations honestly, carefully, and in the best manner to ensure the maximum lawful interests of the Company.

3. Be loyal to the interests of the Company and shareholders; not abuse their position, office, or use information, trade secrets, business opportunities, or 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 the provisions in Clauses 1, 2, 3, and 4 of this Article that causes damage to the Company or others, the member of the Board of Supervisors must be personally or jointly liable for such damage. Income and other benefits obtained by the member of the Board of Supervisors due to the violation must be returned to the Company.

6. In case of discovering that a member of the Board of Supervisors has committed a violation in the performance of assigned rights and obligations, they must notify the Board of Supervisors in writing, requesting the violating person to terminate the violation and remedy the consequences.

Article 4. Term and number of Members of the Board of Supervisors

1. The Board of Supervisors has 03 members; the term of a member of the Board of Supervisors shall not exceed 05 years and may be re-elected for an unlimited number of terms.

2. Members of the Board of Supervisors are not required to be shareholders of the Company.

3. More than half of the members of the Board of Supervisors must be permanent residents in Vietnam.

4. In case the terms of all members of the Board of Supervisors end at the same time and the new members have not yet been elected, the members whose terms have expired shall continue to exercise their rights and obligations until the new members are elected and take office.

Article 5. Standards and conditions for Members of the Board of Supervisors

1. Members of the Board of Supervisors must meet the following standards and conditions:

- a) Not fall into the categories specified in Clause 2, Article 17 of the Law on Enterprises;
- b) Have been trained in one of the majors in economics, finance, accounting, auditing, law, business administration, or a major suitable for the Company's business activities;
- c) Not be a family member of any member of the Board of Directors, the General Director, or other managers;
- d) Not be a manager of the Company; not required to be a shareholder or an employee of the Company;
- dd) Not work in the accounting or finance department of the Company;
- e) Not be a member or employee of an approved auditing firm that has audited the Company's financial statements in the 03 consecutive years prior;
- g) Other standards and conditions as prescribed by other relevant laws and the Company Charter.

2. In addition to the standards and conditions specified in Clause 1 of this Article, members of the Board of Supervisors of a public company as prescribed in Point b, Clause 1, Article 88 of the Law on Enterprises must not be family members of company managers of the Company and the Parent Company; representatives of the enterprise's capital contributions; nor state capital representatives at the Parent Company and the Company.

Article 6. Head of the Board of Supervisors

1. The Head of the Board of Supervisors must hold a university degree or higher in one of the majors in economics, finance, accounting, auditing, law, business administration, or a major related to the enterprise's business activities.

2. The Head of the Board of Supervisors shall be elected by the Board of Supervisors from among its members; the election, dismissal, and removal shall be based on the majority principle.

3. The rights and obligations of the Head of the Board of Supervisors are prescribed by the Company Charter.

Article 7. Nomination and Candidacy for Members of the Board of Supervisors

1. Shareholders or groups of shareholders holding 05% of the total common shares or more have the right to nominate candidates to the Board of Supervisors . The nomination of candidates to the Board of Supervisors is carried out as follows:

- a) Shareholders or groups of shareholders holding from 5% to less than 20% of the total voting shares may nominate a maximum of one candidate;
- b) Shareholders or groups of shareholders holding from 20% to less than 30% of the total voting shares may nominate a maximum of two candidates;
- c) Shareholders or groups of shareholders holding from 30% to less than 40% of the total voting shares may nominate a maximum of three candidates;
- d) Shareholders or groups of shareholders holding from 40% to less than 50% of the total voting shares may nominate a maximum of four candidates;
- e) Shareholders or groups of shareholders holding from 50% to less than 60% of the total voting shares may nominate a maximum of five candidates;
- f) Shareholders or groups of shareholders holding from 60% to less than 70% of the total voting shares may nominate a maximum of six candidates;
- g) Shareholders or groups of shareholders holding from 70% to less than 80% of the total voting shares may nominate a maximum of seven candidates;
- h) Shareholders or groups of shareholders holding from 80% to less than 90% of the total voting shares may nominate a maximum of eight candidates.

2. In case the number of candidates for the Board of Supervisors through nomination and self-nomination is still insufficient as required by Clause 5, Article 115 of the Law on Enterprises, the incumbent Board of Supervisors shall introduce additional candidates or organize nominations in accordance with the Company Charter, the Internal Corporate Governance Regulations, and the Operating Regulations of the Board of Supervisors. The introduction 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 law.

Article 8. Method of election, dismissal, and removal of Members of the Board of Supervisors

1. The election, dismissal, and removal of Members of the Board of Supervisors fall under the authority of the General Meeting of Shareholders.

2. Voting for 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 members to be elected to the Board of Supervisors, and shareholders have the right to concentrate all or part of their total votes for one or more candidates. The elected members of the Board of Supervisors are determined by the number of votes calculated from high to low, starting from the candidate with the highest number of votes until the number of members specified in the Company Charter is reached. In case there are 02 or more candidates with the same number of votes for the final member of the Board of Supervisors, a re-election shall be conducted among the candidates with the same number of votes or a selection shall be made based on criteria specified in the Election Regulations or the Company Charter.

Article 9. Cases of dismissal and removal of Members of the Board of Supervisors

1. The General Meeting of Shareholders shall dismiss a member of the Board of Supervisors in the following cases:

- a) No longer meeting the standards and conditions to be a member of the Board of Supervisors as prescribed in Article 169 of the Law on Enterprises;
- b) Submitting a resignation letter and having it accepted.

2. The General Meeting of Shareholders shall remove a member of the Board of Supervisors in the following cases:

- a) Failing to complete assigned duties and work;
- b) Failing to exercise their rights and obligations for 06 consecutive months, except in cases of force majeure;
- c) Repeatedly violating or seriously violating the obligations of a member of the Board of Supervisors as prescribed by the Law on Enterprises and the Company Charter;
- d) Other cases as per the resolution of the General Meeting of Shareholders.

Article 10. Notification of election, dismissal, and removal of members of the Board of Supervisors

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. Candidates for the Board of Supervisors must provide a written commitment regarding the truthfulness 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 a member of the Board of Supervisors.

Information related to candidates for the Board of Supervisors to be disclosed includes:

- a) Full name, date of birth;
- b) Qualification;
- c) Work history;
- d) Other management positions;
- e) Interests related to the Company and affiliated persons of the Company;
- f) Other information (if any) as prescribed in the Company Charter;
- g) The Company is responsible for disclosing information about companies where the candidate currently holds management positions and the candidate's interests related to the Company (if any).

2. The notification of the results of the election, dismissal, and removal of members of the Board of Supervisors shall be carried out in accordance with the Information Disclosure Regulations.

Chapter III

BOARD OF SUPERVISORS

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

1. The Board of Supervisors performs supervision of the Board of Directors and the General Director in the management and administration of the Company.

2. Inspect the reasonableness, legality, truthfulness, and level of care in the management and administration of business activities; the systematic, consistent, and appropriate nature of accounting, statistics, and financial statement preparation.

3. Appraise the completeness, legality, and truthfulness of the annual and 6-month business performance reports and financial statements of the Company, and the report evaluating the management work of the Board of Directors, and submit the appraisal report at the annual General Meeting of Shareholders. Review contracts and transactions with affiliated persons under the approval authority of the Board of Directors or the General Meeting of Shareholders and provide recommendations on contracts and transactions that require approval from the Board of Directors or the General Meeting of Shareholders. Inspect the preservation and development of State capital in the enterprise, and the supervision of investments, procurement, projects, capital contributions, and joint ventures or associations. Evaluate the efficiency of the use of assets and capital resources of the enterprise.

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

5. Examine accounting books, accounting records, and other documents of the Company, and the management and administration of the Company's activities when deemed necessary or pursuant to a Resolution of the General Meeting of Shareholders or at the request of a shareholder or a group of shareholders as stipulated in Clause 2, Article 115 of the Law on Enterprises.

6. Upon the request of a shareholder or a group of shareholders as stipulated in Clause 2, Article 115 of the Law on Enterprises, the Board of Supervisors shall conduct an inspection within 07 working days from the date of receiving the request. Within 15 days from the date of completing the inspection, the Board of Supervisors must report on the requested issues 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 must not hinder the normal operations of the Board of Directors or disrupt the administration of the Company's business activities.

7. Recommend to the Board of Directors or the General Meeting of Shareholders measures to amend, supplement, and improve the organizational structure of management, supervision, and administration of the Company's business activities, provide opinions on the corporate development strategy, major investment projects, fundamental construction investments, expansion of business lines and scope of operations, financial plans, profit distribution, appropriation of funds, and dividend payments...

8. Upon 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, immediately notify the Board of Directors in writing, requesting the violator to cease the violation and implement solutions to remedy the consequences.

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

10. Utilize independent consultants and the Company's internal audit department to perform assigned duties.

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

12. Inspect specific issues related to the management and administration of the Company's activities at the request of shareholders.

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

14. Replace 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 as stipulated in Clause 3, Article 140 of the Law on Enterprises.

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

16. Review, extract, and copy part or all of the content of the declared List of affiliated persons and related interests as stipulated in Clause 1 and Clause 2, Article 164 of the Law on Enterprises.

17. Propose and recommend that the General Meeting of Shareholders approve the list of independent auditing firm to audit the Company's financial statements; and an approved auditing firm may audit the Company's activities when deemed necessary.

18. Be responsible to shareholders for its supervisory activities.

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

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

21. In case of discovering violations of the law or the Company Charter by members of the Board of Directors, the General Director, or other company managers, the Board of Supervisors must notify the Board of Directors in writing within 48 hours, requesting the violator to cease the violation and implement solutions 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 organizing the vote counting and preparing the vote counting minutes if requested by the Board of Directors in the case of collecting shareholders' opinions in writing to pass a Resolution of the General Meeting of Shareholders.

24. The Head of the Board of Supervisors shall preside over the election of a meeting chairperson by the General Meeting of Shareholders in cases where 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. Perform other rights and obligations as prescribed by the Law on Enterprises, the Company Charter, and Resolutions of the General Meeting of Shareholders.

Article 12. Right of the Board of Supervisors to be provided with information

1. Documents and information must be sent to members of the Board of Supervisors at the same time and in the same manner as for members of the Board of Directors, including:

a) Meeting invitations, ballots for collecting opinions of members of the Board of Directors, and accompanying documents;

- b) Resolutions, decisions, and minutes of meetings of the General Meeting of Shareholders and the Board of Directors;
- c) Reports of the General Director submitted to the Board of Directors or other documents issued by the Company.

2. Members of the Board of Supervisors have the right to access records and documents of the Company kept at the head office, branches, and other locations; and have the right to visit the workplaces 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 must provide full, accurate, and timely information and documents regarding the management, administration, and business activities of the Company upon the request of a member of the Board of Supervisors or the Board of Supervisors.

Article 13. Responsibility of the Board of Supervisors in convening an extraordinary 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 or the Board of Supervisors is less than the number of members required by law;
- b) At the request of a shareholder or a group of shareholders as stipulated in Clause 2, Article 115 of the Law on Enterprises;
- c) When there is a request to convene an extraordinary General Meeting of Shareholders from the Board of Supervisors but the Board of Directors fails to do so.

2. In case the Board of Supervisors fails to convene the General Meeting of Shareholders as prescribed, the Board of Supervisors must compensate for damages incurred by the Company.

3. Expenses for convening and conducting the General Meeting of Shareholders as stipulated in Clause 1 of this Article shall be reimbursed by the Company.

Chapter IV

MEETINGS OF THE BOARD OF SUPERVISORS

Article 14. Meetings of the Board of Supervisors

1. The Board of Supervisors must meet at least 02 times per year, and the number of members attending the meeting must be at least 2/3 of the members of the Board of Supervisors.

2. The Board of Supervisors has the right to request members of the Board of Directors, the General Director, and representatives of the approved auditing firm to attend and answer issues that need clarification.

Article 15. Minutes of the Board of Supervisors' meetings

The minutes of the Board of Supervisors' meetings shall be prepared in detail and clearly. The minute-taker and the members of the Board of Supervisors attending the meeting must sign the meeting minutes. The minutes of the Board of Supervisors' meetings must be retained to determine the responsibilities of each member of the Board of Supervisors.

Chapter V

REPORTING AND INTERESTS DISCLOSURE

Article 16. 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 and the performance of the Board of Directors and the General Director to be submitted to the General Meeting of Shareholders for approval at the annual General Meeting of Shareholders.

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

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

4. Summary of meetings of the Board of Supervisors and the conclusions and recommendations of the Board of Supervisors; results of monitoring the operational and financial situation of the Company.

5. Assessment report on transactions between the Company, the Company's subsidiaries, and other companies controlled by the Company with 50% or more of the charter capital, and members of the Board of Directors, the General Director, and their affiliated persons; transactions between the Company and companies in which a member of the Board of Directors is a founding member or an company manager within the 03 years prior to the time of transaction.

6. Results of monitoring the Board of Directors, the General Director, and other company managers.

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

8. Proposals and recommendations to the General Meeting of Shareholders for approval of the list of approved auditing firms to audit the Company's financial statements; and an approved auditing firm may audit the Company's operations when deemed necessary.

Article 17. Salary and other benefits

The salary, remuneration, bonuses, and other benefits of members of the Board of Supervisors shall be implemented according to the following regulations:

1. Members of the Board of Supervisors are paid salaries, remuneration, bonuses, and other benefits as decided by the General Meeting of Shareholders. The General Meeting of Shareholders decides the total amount of salary, remuneration, bonuses, other benefits, and the annual operating budget of the Board of Supervisors.

2. Members of the Board of Supervisors are reimbursed for reasonable expenses for food, accommodation, travel, and the use of independent consultants services. The total amount of such remuneration and expenses shall not exceed the total annual operating budget of the Board of Supervisors approved by the General Meeting of Shareholders, unless otherwise decided by the General Meeting of Shareholders.

3. The salary and operating expenses of the Board of Supervisors shall be included in the Company's business expenses in accordance with the law on corporate income tax and other relevant legal regulations, and must be recorded as a separate item in the Company's annual financial statements.

Article 18. Disclosure of related interests

1. Members of the Board of Supervisors of the Company must declare their related interests to the Company, including:

a) Name, enterprise identification number, address of head office, and business lines of the enterprise they own or hold capital contributions or shares in; the percentage and time of such ownership or holding of capital contributions or shares;

b) Name, enterprise identification number, address of head office, and business lines of the enterprise in which their affiliated persons own, jointly own, or separately own capital contributions or shares exceeding 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 the related interest arises; any amendments or supplements must be notified to the Company within 07 working days from the date of the corresponding amendment or supplement.

3. Members of the Board of Supervisors and their affiliated persons may only use information obtained through their positions to serve the interests of the Company.

4. Members of the Board of Supervisors are obligated to notify the Board of Directors and the Board of Supervisors in writing of transactions between the Company, the Company's subsidiaries, and other companies controlled by the Company with 50% or more of the charter capital, and the member of the Board of Supervisors or their affiliated persons in accordance with the law. For the aforementioned 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 law on securities regarding information disclosure.

5. Members of the Board of Supervisors and their affiliated persons must not use or disclose internal information to other persons to conduct related transactions.

Chapter VI

RELATIONSHIP OF THE BOARD OF SUPERVISORS

Article 19. Relationship between members of the Board of Supervisors

Members of the Board of Supervisors have an independent relationship, not dependent on each other, but coordinate and collaborate in general work to ensure the effective performance of the responsibilities, rights, and duties of the Board of Supervisors in accordance with the law and the Company Charter. The Head of the Board of Supervisors is the coordinator of the general work of the Board of Supervisors but does not have the right to dominate the members of the Board of Supervisors.

Article 20. Relationship with the Board of Management

The Board of Supervisors has an independent relationship with the Board of Management of the Company, and is the unit that performs the function of supervising the operations of the Board of Management.

Article 21. Relationship with the Board of Directors

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

Chapter VII

IMPLEMENTATION PROVISION

Article 22. Effectiveness

The Operating Regulations of the Board of Supervisors of Khanh Hoa Water Supply and Sewerage Joint Stock Company consist of 07 chapters, 22 articles, and take effect from the day approved by the General Meeting of Shareholders.

**ON BEHALF OF THE BOARD OF SUPERVISORS
HEAD OF THE BOARD**



Hoang Long