

No: /TTr-DHDCD

Ho Chi Minh City, April....., 2021

DRAFT

PROPOSAL

Approving the Regulation on Operation of the Board of Supervisors of PetroVietnam Oil Corporation-JSC

To: Annual General Meeting of Shareholders of PetroVietnam Oil Corporation-JSC

- Pursuant to the Law on Enterprises No.59/2020/QH14 passed by the Fourteenth (XIV) National Assembly of the Socialist Republic of Vietnam on June 17, 2020 and its implementing documents;
- Pursuant to Decree No.155/2020/ND-CP issued on December 31, 2020 detail regulating the implement some provisions of the Law on Securities dated on November 26, 2020;
- Pursuant to the Law on Securities No.54/2019/QH14 issued by National Assembly of the Socialist Republic of Vietnam on November 26, 2019
- Pursuant to Circular No.116/2016/TT-BTC issued by the Ministry of Finance on December 31, 2020 guiding some provisions on corporate governance that applicable for the public companies of the Decree No.155/2020/ND-CP;
- Pursuant to the Charter of Organization and Operation of PetroVietnam Oil Corporation-JSC (PVOIL);

The Board of Supervisors of the Corporation respectfully presents to the Annual General Meeting of Shareholders for consideration and approval the Regulation on Operation of the Board of Supervisors of PetroVietnam Oil Corporation-JSC in accordance with the Law on Enterprises 2020, the Law on Securities 2019 and its implementing documents.

(Details of draft documents as attached)

Sincerely Yours,

Recipients:

- As above;
- BOM, BOD
- For archive, BOS.

**ON BEHALF OF THE BOS
CHIEF OF THE BOS**

Nguyen Duc Ken

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

**OPERATION REGULATION OF THE BOARD OF SUPERVIORS
PETROVIETNAM OIL CORPORATION - JOINT STOCK COMPANY**

Ho Chi Minh City, date... month... year.

**OPERATION REGULATION OF THE BOARD OF SUPERVISORS
PETROVIETNAM OIL CORPORATION - JOINT STOCK COMPANY
(PVOIL)**

(Issued under Resolution No. / NQ-DHĐCĐ date month year 2021 of the General Meeting of Shareholders of PetroVietnam Oil Corporation - Joint Stock Company)

DEFINITIONS AND TERMINOLOGIES

In this Regulation, the following terminologies shall be construed as follows:

1. *Corporation*: means PetroVietnam Oil Corporation - Joint Stock Company.
2. *General Meeting of Shareholders* means the General Meeting of Shareholders of PetroVietnam Oil Corporation - Joint Stock Company.
3. *Corporation's Charter* means the Charter on organization and operation of the PetroVietnam Oil Corporation - Joint Stock Company which is approved, amended, supplemented and in effect.
4. *Law on Enterprises* means Law on Enterprises No. No. 59/2020/QH14 approved by the National Assembly of the Socialist Republic of Vietnam dated June 17, 2020;
5. *Other terminologies* shall be construed as stipulated in the Law on Enterprises and the Charter of the Corporation.

CHAPTER I - GENERAL PROVISIONS

Article 1. Scope of regulation and subjects of application

1. Scope of regulation: The operation regulation of the Board of Supervisors stipulates the organizational structure, criteria, conditions, rights and obligations of the Board of Supervisors and the Supervisors in accordance with provisions of the Law on Enterprises, the Corporation's Charter and other relevant provisions.

2. Subjects of application: The operation regulation of the Board of Supervisors shall be applicable to the Board of Supervisors, the Supervisors and related collectives and individuals in the Corporation.

Article 2. Operational principles of the Board of Supervisors

The Board of Supervisors shall work in accordance with the collective principle. The Supervisors shall be personally responsible for their works and be jointly responsible to the General Meeting of Shareholders, the law for the works and decisions of the Board of Supervisors.

CHAPTER II - SUPERVISOR

Article 3. Rights, obligations and responsibilities of Supervisor

1. To comply with law, the Corporation's Charter, resolutions of the General Meeting of Shareholders and professional ethics during performance of right and obligations as assigned.

2. To perform assigned rights and assigned obligations in an honest, prudent and best manner in order to ensure maximum legal interests of the Corporation.

3. To be faithful to the interests of the Corporation and shareholders; not to abuse the position and use information, know-hows, business opportunities, other assets of the Corporation for self-interest or for the interest of other organizations or individuals.

4. Other obligations in accordance with the Law on Enterprises and the Corporation's Charter.

5. In case the violation of provisions in Clauses 1, 2, 3 and 4 of this Article causes damage to the Corporation or another person, the Supervisor shall be personally or jointly responsible for compensating such damage. Income and other interests that the Supervisor has due to the violation must be returned to the Corporation.

6. In case a Supervisor is found to commit a violation during the performance of assigned rights and obligations, a written notice thereof shall be sent to the Board of Supervisors requesting the violator to stop the violation and take remedial measures.

Article 4. Term of office and number of Supervisors

1. Number of Supervisor of the Corporation is 03 people. The term of office of a Supervisor shall not exceed 05 years and a Supervisors may be re-appointed for an unlimited number of terms.

2. Supervisors are not necessarily shareholders of the Corporation.

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

4. In case the Supervisors ends their terms at the same time and new Supervisors for the new term has not been appointed yet, the Supervisors shall continue his or her implementation of rights and obligations until the Supervisors of the new term is appointed and take-over.

Article 5. Criteria and conditions of Supervisor

1. A Supervisor must meet the following criteria and conditions:

a) Not belong to the subjects specified in Clause 2, Article 17 of the Law on Enterprises;

b) Being trained in one of the majors in economics, finance, accounting, auditing, legal, business administration or in the majors relevant to the business operations of the Corporation;

c) Not being a family member of a member of the Board of Management, President & CEO and other managers;

d) Not being manager of the Corporation, not necessarily a shareholder or employee of the Corporation, unless otherwise prescribed by the Corporation;

đ Not working in the accounting and finance department of the Corporation;

e) Not being a member or employee of an audit firm approved to audit the Corporation's financial statements in the three (03) previous years;

g) Other criteria and conditions provided in relevant provisions of laws and the Corporation's Charter.

2. In addition to the criteria and conditions specified in Clause 1 of this Article, a Supervisor of the Corporation must not have family relationship with the manager of the Corporation and the Holding Company of the Corporation; representative of capital, representative of the state capital in the Holding Company of the Corporation and in the Corporation.

Article 6. Chairman of Board of Supervisors

1. Chairman of the Board of Supervisors must have a university or higher degree in one of the majors in economics, finance, accounting, auditing, legal, business administration or a discipline related to business activities.

2. The Chairman of the Board of Supervisors shall be appointed from among the Supervisors by the Board of Supervisors according to the majority vote.

3. Duties of the Chairman of the Board of Supervisors:

a) To coordinate the general work of the Board of Supervisors.

b) To develop, amend and supplement the Operation Regulation of the Board of Supervisors and submit to the General Meeting of Shareholders for approval. To sign for issuance upon approval by the General Meeting of Shareholders.

c) On behalf of the Board of Supervisors to sign documents, reports, materials and dossier to send to the General Meeting of Shareholders, the Board of Management, the President & CEO and related parties in order to perform the general duties of the Board of Supervisors.

d) To organize the implementation of the inspection and supervision plan on a quarter and annual basis upon approval by the General Meeting of Shareholders.

e) To be responsible for expediting the Supervisors to implement the duties and rights of the Board of Supervisors; to assign tasks to each Supervisor; convene and preside over meetings of the Board of Supervisors.

f) To authorize a Supervisor to undertake the tasks of the Chairman of the Board of Supervisors during his or her absence.

g) To request the Board of Management, President & CEO and other executive officers to provide relevant information to report to the Board of Supervisors.

h) To request the Board of Management to organize an extraordinary meeting to handle violations of the provisions of law, the Corporation's Charter and resolutions, decisions of the General Meeting of Shareholders.

i) On behalf of the Board of Supervisors to convene an extraordinary General Meeting of Shareholders in accordance with the Law on Enterprises, the Corporation's Charter.

j) To manage the General Meeting of Shareholders to appoint the chairperson of the meeting in case the Chairman is absent or temporarily unable of to work but the remaining members of the Board of Management are unable to appoint the chairperson of the meeting. In this case, the person with the highest number of votes shall preside over the meeting.

k) To be responsible for the contents stated in the regular or extraordinary report of the Board of Supervisors to the General Meeting of Shareholders.

l) Other duties as stipulated by provisions of law and the Corporation's Charter.

Article 7. Self-nomination, nomination of Supervisors

1. A shareholder or group of shareholders owning from 05% the total number of ordinary shares shall have the right to nominate a candidate to the Board of Supervisors. The self-nomination and nomination of Supervisors shall be conducted in accordance with the Corporation's Charter.

2. In case the number of candidates for the Board of Supervisors through self-nomination and nomination is still less than the required quantity as prescribed in Clause 5, Article 115 of the Law on Enterprises, the incumbent Board of Supervisors may introduce more candidates. The introduction of candidates by the incumbent Board of Supervisors must be clearly announced before the General Meeting of Shareholders vote to appoint the Supervisors in accordance with provisions of law.

Article 8. Methods of election, dismissal and removal of Supervisors

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

2. Voting to elect members of the Board of Supervisors must comply with the cumulative voting method, whereby each shareholder shall have the total number of votes corresponding to the total number of shares he/she owns multiplied by the number of members elected by the Board of Supervisors and shareholders are entitled to devote all or part of the total number of votes to one or several candidates. The elected members of the Board of Supervisors shall be determined based on the number of votes from high to low, starting from candidates with the highest number of votes until the required number of members is reached in accordance with the Corporation's Charter. If there are 02 or more candidates receiving equal numbers of votes for the last position of member of the Board of Supervisors, re-election shall be conducted among the candidates with equal votes or selection shall be made in accordance with the criteria specified at Regulation on election or the Corporation's Charter.

Article 9. Cases of dismissal or removal from office of Supervisors

1. The General Meeting of Shareholders shall dismiss a Supervisor from office in the following cases:

a) No longer meets the criteria and conditions to act as a Supervisor as stipulated in Article 169 of the Law on Enterprises;

b) Having submitted a resignation letter which is approved;

c) Other cases in accordance with provisions of law and the Corporation's Charter.

2. The General Meeting of Shareholders shall dismiss a Supervisor from office in the following cases:

a) Failing to fulfill the assigned tasks or jobs;

b) Not performing his/ her rights and obligations for six (06) consecutive months, except in cases of force majeure;

c) Having repeated and serious violating the obligations of member of the Board of Supervisors as stipulated in provisions of the Law on Enterprises and the Corporation's Charter;

d) Other cases according to resolutions of the General Meeting of Shareholders.

Article 10. Notice of election, dismissal, removal of Supervisors

1. If the candidates for the Board of Supervisors has been identified, the Corporation must disclose information related to the candidates at least 10 days prior to the opening date of the General Meeting of Shareholders on the website of the Corporation so that shareholders may study about these candidates before voting. Candidates of the Board of Supervisors must prepare a written statement of commitment on the truthfulness and accuracy of the published personal information and must commit to performing the tasks truthfully, carefully and in the best interest of the Corporation if appointed as member of Board of Supervisors. Information related to candidates for the Board of Supervisors subject to disclosure shall include:

a) Full name, date of birth;

b) Professional qualifications;

c) Work history;

d) Other managerial positions;

đ) Related benefits and related parties with regard to the Corporation;

e) Other information (if any) as stipulated in the Corporation's Charter;

g) The Corporation must be responsible for disclosing information on the companies where the candidate holds managerial positions and interests related to the Corporation of the candidate of Board of Supervisors (if any).

2. The notice of the results of the election, dismissal, removal of Supervisors shall be conducted in accordance with with the provisions of law and the Corporation's Charter.

CHAPTER III - BOARD OF SUPERVISORS

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

1. Board of Supervisors shall supervise the Board of Management, President & CEO in the management and operation of the Corporation.

2. To inspect the reasonableness, legality, truthfulness and level of prudence in

the management and administration of business operations; the systematicity, consistency and appropriateness of accounting and statistical work and preparation of financial statements.

3. To appraise the completeness, legality and truthfulness of the Corporation's business reports, annual and six (06) month financial statements, and evaluation reports of management work of the Board of Management; and to submit appraisal reports at the Annual General Meeting of Shareholders. To review contracts, transactions with related parties under the approval authority of the Board of Management or the General Meeting of Shareholders and propose recommendations on contracts and transactions that require approval by the Board of Management or the General Meeting of Shareholders.

4. To review, inspect and evaluate the effect and efficiency of internal control, internal audit, risk management and early warning system of the Corporation.

5. To review accounting books, accounting records and other documents of the Corporation, management and administration activities of the Corporation when necessary or pursuant to a resolution of the General Meeting of Shareholders or as requested by a shareholder or a group of shareholders as provided in Clause 2, Article 115 of Law on Enterprises.

6. Upon request of shareholders or groups of shareholders stipulated in Clause 2, Article 115 of the Law on Enterprises, Board of Supervisors shall inspect within 07 working days from the date of receiving the request. Within 15 days from the completion date of inspection, Board of Supervisors must prepare a report regarding inspected issues to the Board of Management and shareholders or groups of shareholders who have requested. The Board of Supervisors' inspection provided in this Clause must neither disrupt the normal operation of the Board of Management nor interrupt the administration of the Corporation's business operations.

7. To propose recommendations to the Board of Management or the General Meeting of Shareholders to modify, supplement and improve the organizational structure for the management, supervision and administration of the Corporation's business operations.

8. If detecting any violation of provisions of Article 165 of the Law on Enterprises by a member of Board of Management, a notice must be delivered immediately to the Board of Management requesting the violators to stop violation and take remedial measures.

9. To participate in and discuss at the General Meeting of Shareholders, meetings of the Board of Management and other meetings of the Corporation.

10. To use independent consultants, internal audit division of the Corporation to fulfill assigned tasks.

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

12. To inspect any specific issue related to the management and operation of the Corporation following the request of shareholders according to the provisions of law and the Corporation's Charter.

13. To request the Board of Management to convene an extraordinary General Meeting of Shareholders in accordance with the provisions of law and the Corporation's Charter.

14. To replace the Board of Management to convene the General Meeting of Shareholders within thirty (30) days in case the Board of Management fails to convene the General Meeting of Shareholders as prescribed in Clause 3, Article 140 of the Law on Enterprises.

15. To propose to the Chairman of the Board of Management to convene a meeting of the Board of Management according to the provisions of law and the Corporation's Charter.

16. To examine, extract and copy a part or the entire contents of the list of declared related persons and related interests as stipulated in Clauses 1 and 2, Article 164 of the Law on Enterprises.

17. To propose and request the General Meeting of Shareholders to approve the list of auditing organizations who are approved to audit the financial statements of the Corporation; the approved auditing organization shall perform the inspection of the Corporation's operations when deeming it necessary.

18. To be responsible to shareholders for the supervisory activities.

19. To supervise the financial status of the Corporation and compliance with the law of all members of the Board of Management, President & CEO, other managers in operation.

20. To ensure operational coordination with the Board of Management, President & CEO and shareholders.

21. In case of detecting a violation of law or a violation of the Corporation's Charter by a member of the Board of Management, President & CEO and other enterprise's managers, the Board of Supervisors must notify the Board of Management in writing within 48 hours, request violators to stop violation and take remedial measures.

22. To prepare the Operation Regulation of the Board of Supervisors and submit to the General Meeting of Shareholders for approval.

23. To supervise, witness the Board of Management to organize vote counting and issue minutes of vote counting if requested by the Board of Management in case of collecting written opinions of shareholders to pass resolutions of the General Meeting of Shareholders.

24. The Chairman of Board of Supervisors shall manage the General Meeting of Shareholders to appoint the chairperson of the meeting in case the Chairman is absent or temporarily unable to work but the remaining members of the Board of Management are unable to elect the chairperson of the meeting. In this case, the person with the

highest number of votes shall chair the meeting.

25. To implement other rights and obligations stipulated in the Law of Enterprises, the Corporation's Charter and resolutions of the General meetings of Shareholders.

Article 12. RIGHT TO INFORMATION OF MEMBERS OF THE BOARD OF SUPERVISORS

1. Documents and information must be delivered to Supervisor at the same time and in the same manner as to members of the Board of Management, including:

a) Meeting invitation, written opinion form of members of the Board of Management and attached documents;

b) Resolutions, decisions and minutes of meetings of the General Meeting of Shareholders, the Board of Management;

c) Report of the President & CEO to the Board of Management or other documents issued by the Corporation.

2. Supervisors shall have the right to access the Corporation's documents and records archived at the head office, branches and other locations; the right to access workplaces of managers and employees of the Corporation during working hours.

3. Board of Management and its Members, President & CEO and other manager are required to provide full, accurate and timely information, documents related to management, administration and business activities of the Corporation at the request of members of Supervisors or Board of Supervisors.

Article 13. Responsibility of the Board of Supervisors in convening an extraordinary meeting of the General Meeting of Shareholders

1. The Board of Supervisors shall replace the Board of Management to convene a meeting of the General Meeting of Shareholders within 30 days if the Board of Management fails to convene the General Meeting of Shareholders in the following cases:

a) Quarterly, half-year or annual audited financial statements show that owners' equity has reduced by a half (1/2) of the beginning balance of the same period;

b) The number of remaining members of the Board of Management, independent members of the Board of Management, members of the Board of Supervisors is less than the minimum quantity prescribed by law and the Corporation's Charter;

c) At the request of the shareholder or group of shareholders as stipulated in Clause 2, Article 115 of the Law on Enterprises;

d) When there is a request to convene an extraordinary meeting of the General Meeting of Shareholders from the Board of Supervisors but the Board of Management does not comply.

e) Other circumstances provided by law.

2. If the Board of Supervisors does not convene a meeting of the General Meeting

of Shareholders according to the provisions, the Board of Supervisors must compensate any damage to the Corporation.

3. The cost of convening and conducting a meeting of the General Meeting of Shareholders as provided for in Clause 1 of this Article shall be reimbursed by the Corporation.

CHAPTER IV - BOARD OF SUPERVISORS MEETING

Article 14. Board of Supervisors Meetings

1. The Board of Supervisors must conduct at least two (02) meetings per year, the number of members attending the meeting must be at least two-thirds (2/3) of the number of Supervisors.

2. The Board of Supervisors shall have the right to request members of the Board of Management, President & CEO, other executive officers or representatives of the approved auditing organization to attend and respond to any matter that need to be clarified.

Article 15. Minutes of meeting of the Board of Supervisors

The Minutes of meeting of the Board of Supervisors must be detailed and clear. The Minutes of the meeting shall be signed by the preparer and the Supervisors attending the meeting. Minutes of meetings of the Board of Supervisors must be recorded in order to determine the responsibilities of each Supervisor.

CHAPTER V – REPORTING AND INTEREST DISCLOSURE

Article 16. Submission of Annual Report

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

1. Report on the business results of the Corporation, the operation results of the Board of Management, President & CEO to be submitted to the General Meeting of Shareholders for approval at the Annual General Meeting of Shareholders.

2. Self-assessment reports on operating results of the Board of Supervisors and each Supervisor.

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

4. Summaries of the Board of Supervisors' meetings and conclusions, recommendations of the Board of Supervisors; supervision results of the operation and financial status of the Corporation.

5. Evaluation report of transactions between the Corporation, subsidiaries, other affiliates where the Corporation controls fifty percent (50%) or more of the charter capital with members of the Board of Management, President & CEO and their related persons; transactions between the Corporation and the company in which a member of the Board of Management is a founding shareholder or manager during the last three 03

years prior to the transaction time.

6. Supervision results of the Board of Management, President & CEO and other executive officers.

7. Evaluation results of the operational coordination between the Board of Supervisors and the Board of Management, President & CEO and Shareholders.

8. Proposal and request that the General Meeting of Shareholders approve the list of audit organizations approved to audit the financial statements of the Corporation; the approved audit organization shall perform the inspection of the Corporation's operations when necessary.

Article 17. Salary and other benefits:

Unless otherwise provided by the Corporation, the salary, remuneration, bonus and other benefits of the Supervisor shall comply with the following provisions:

1. Salary, remuneration, bonus and other benefits shall be paid to the Supervisors in accordance with decision by the General Meeting of Shareholders. The General Meeting of Shareholders shall decide the total salaries, remuneration, bonuses, other benefits and annual operating budget of the Board of Supervisors.

2. Supervisors are paid for cost of meal, accommodation, transportation and cost of independent consulting services at reasonable rates. Total remuneration and expenses shall not exceed the total annual operating budget of the Board of Supervisors as approved by General Meeting of Shareholders, unless otherwise specified by the General Meetings of Shareholders.

3. Salary and operating expenses of the Board of Supervisors shall be recorded in business expenses of the Corporation in accordance with provisions of the law on Corporate income taxes and other relevant laws, and shall be listed as a separate item in annual financial statements of the Corporation.

Article 18. Disclosure of relevant interests

1. Supervisor of the Corporation must declare to the Corporation about their related interests, including:

a) Name, business code, head office address and business lines of the companies in which Supervisors own contributed capital or shares; ratio and time of ownership of such contributed capital or shares;

b) Name, business code, head office address and business lines of the companies in which Supervisors jointly or separately own contributed capital or shares of more than 10% of charter capital.

2. The declaration provided in Clause 2 of this Article shall be conducted within 07 working days from the date the related interest arises; any amendment or supplement must be notified to the Corporation within 07 working days from the date of amendment or supplement.

3. Supervisors and their related persons must only use information gained by their

position for the interests of the Corporation.

4. Supervisor is obliged to notify in writing to the Board of Management, the Board of Supervisors on transactions between the Corporation, subsidiaries, other affiliates in which the Corporation controls fifty percent (50%) or more of the charter capital with the Supervisor or related persons of the Supervisor in accordance with provisions of law. For the above-mentioned transactions approved by the General Meeting of Shareholders or the Board of Management, the Corporation must disclose information on these Resolutions in accordance with the provisions of the Law on securities regarding information disclosure.

5. Supervisor and his/her related persons must not use or disclose internal information to others to perform related transactions.

CHAPTER VI - RELATIONSHIP OF THE BOARD OF SUPERVISORS

Article 19. Relationship among Supervisors

The relationship among Supervisors shall be independent, not interdependent, but there shall be coordination and cooperation in general work to ensure completion of responsibilities, rights and duties of the Board of Supervisors in accordance with provisions of law and the Corporation's Charter. The Chairman of the Board of Supervisors is the coordinator of the general work of the Board of Supervisors but shall not have the right to control the Supervisors.

Article 20. Relationship with the Board of Directors

The Board of Supervisors shall have an independent relationship with the Corporation's Board of Directors, acting as the body performing supervision function of the operations of the Board of Directors.

Article 21. Relationship with the Board of Management

The Board of Supervisors shall have an independent relationship with the Corporation's Board of Management, acting as the body performing supervision function of the operations of the Board of Management.

CHAPTER VII - IMPLEMENTATION TERMS

Article 22. Effect of implementation

Operation Regulation of the Board of Supervisors of PetroVietnam Oil Corporation - Joint Stock Company includes 7 Chapters, 22 Articles and takes effect from the date ... month ... year 2021.

**ON BEHALF OF BOARD OF
MANAGEMENT
CHAIRMAN**

Nguyen Duc Ken