

RESOLUTION OF THE BOARD OF DIRECTORS
“Re: The promulgation of the Regulations on Operation of the Audit Committee”

THE CHAIRMAN OF THE BOARD OF DIRECTORS
PHAT DAT REAL ESTATE DEVELOPMENT CORPORATION

Pursuant to:

- *The Law on Securities No. 54/2019/QH14 dated 26th November 2019;*
- *The Law on Enterprises No. 59/2020/QH14 dated 17th June 2020;*
- *Decree No. 155/2020/ND-CP dated 31st December 2020 of the Government on detailing and guiding the implementation of a number of articles of the Law on Securities;*
- *Circular No. 116/2020/TT-BTC dated December 31, 2020 of the Ministry of Finance guiding a number of articles on public company governance as prescribed in Decree No. 155/2020/ND-CP;*
- *The Charter of Phat Dat Real Estate Development Corporation (“the Company”);*
- *Decision No. 09B/2021/QĐ-HĐQT and No. 09D/2021/QĐ-HĐQT dated 31st March 2021;*

RESOLVED

Article 1: To promulgate the Regulations on Operation of the Audit Committee attached to this Resolution.

Article 2: Members of the Board of Directors, members of the Audit Committee and the Board of Management, and related parties of Phat Dat Real Estate Development Corporation are responsible for implementing this Resolution.

This Resolution takes effect from the date of signing.

ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN OF THE BOARD

Recipients:

- *As stated in Article 2*
- *Company’s Archives*

(Signed and sealed)

NGUYEN VAN DAT



PHATDAT
CORPORATION
Real Estate Development

**REGULATION ON OPERATION OF THE AUDIT COMMITTEE
PHAT DAT REAL ESTATE DEVELOPMENT CORPORATION**

Ho Chi Minh City, 24th June 2021

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Phat Dat Real Estate Development Corporation

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Pursuant to:

- The Law on Securities No. 54/2019/QH14 ratified by the National Assembly on 26th November 2019 (“**Securities Law**”);
- The Law on Enterprises No. 59/2020/QH14 ratified by the National Assembly on 17th June 2020 (“**Enterprises Law**”);
- Decree No. 155/2020/ND-CP dated 31st December 2020 of the Government on detailing and guiding the implementation of a number of articles of the Law on Securities (“**Decree 155**”);
- Circular No. 116/2020/TT-BTC dated December 31, 2020 of the Ministry of Finance guiding a number of articles on public company governance as prescribed in Decree 155 (“**Circular 116**”);
- The Charter of Phat Dat Real Estate Development Corporation (“the Charter”);

Regulation on Operations of the Audit Committee of Phat Dat Real Estate Development Corporation (“**the Company**”) includes the following content:

CHAPTER I GENERAL PROVISIONS

Article 1. Scope of governance and subjects of application

1. Scope of governance: the Regulation on Operation of the Audit Committee prescribes the organization, function, and operational principles of the Audit Committee; regulates the responsibilities and powers of the Head and Members of the Audit Committee in order to ensure activities as regulated by the Enterprise Law, the Company’s Charter, and other relevant laws.
2. Subjects of application: this Regulation is applicable to the Audit Committee, members of the Audit Committee, and related parties in the Company.

Article 2. Operational Principles of the Audit Committee

1. Independence
 - a) The Audit Committee shall report directly to the Board of Directors and shall be independent of other Committees/Units of the Board of Directors
 - b) The Audit Committee shall operate independently of the management and business operations of the Company.
2. Objectivity: The Audit Committee and members of the Audit Committee shall ensure objectivity, fairness, and unaffectedness during the course of making conclusions.
3. Honesty: members of the Audit Committee shall perform their duties in an honest, careful and accurate manner; always comply with current laws and internal regulations of the Company; not participate in activities that tarnish the professional reputation.
4. Confidentiality: Audit Committee Members shall not disclose the information provided unless the disclosure is required by law and the company's regulations.

Regulation on Operation of The Audit Committee

CHAPTER II

ORGANIZATION, FUNCTIONS AND RESPONSIBILITIES

Article 3. Organization of the Audit Committee

1. The Board of Directors establishes the Audit Committee which is a specialized unit under the Board of Directors.
2. The Audit Committee shall have three (03) members. The Head of the Audit Committee must be an independent member of the Board of Directors, and the other two members of the Audit Committee must be non-executive members of the Board of Directors.
3. Members of the Audit Committee must have knowledge of accounting and auditing, have a general understanding of the law and operations of the Company and shall not fall into the following cases:
 - Being an employee in Accounting and Finance Department of the Company;
 - Being a member or employee of the selected independent auditing company providing the audit service to the Company for the previous three (03) consecutive years.
4. The Head of the Audit Committee must have a bachelor's qualification in Economics, Finance, Accounting, Auditing, Law, or Business Management.
5. The appointment of the Head and other members of the Audit Committee must be approved by the Board of Directors at a Board meeting.
6. The remuneration, operating expenses, and other benefits of the Audit Committee and members of the Audit Committee shall fall within the limit of remuneration and operating expenses of the Board of Directors following decisions of the General Meeting of Shareholders and must be reported at the Annual General Meeting of Shareholders and disclosed on the Company's annual report.
7. During the term of the Audit Committee, if a member of the Audit Committee resigns, the Board of Directors may consider and appoint another person for replacement. The replacement member must fully meet the eligibility criteria of the Audit Committee Members specified in this Regulation and the Company's Charter. The term of the replacement member shall commence from the date of appointment by the Board of Directors and shall end concurrently with the term of the incumbent members.

Article 4. Rights and Obligations of the Audit Committee

The Audit Committee shall have rights and obligations as stipulated in Article 36 of the Company's Charter and not limited to the following obligations:

1. To inspect periodic financial statements (quarterly, semiannual, 9 months, and annual), including information disclosed in annual reports before submitting to the Board of Directors for consideration and approval.
2. To inspect the adequacy and effectiveness of the Company's internal control system.
3. To control, manage, and supervise the operations of the Company's Internal Audit Unit.

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4. To propose an independent auditing company, the auditing fee and related terms in the contract with the auditing company to the Board of Directors for approval before submitting to the Annual General Meeting of Shareholders for approval.
5. To monitor and evaluate the independence and objectivity of the auditing company and the effectiveness of the audit process, especially in case the company uses non-auditing services of the auditing company.
6. To monitor and ensure the company's compliance with applicable laws, requirements of the State agencies, and other internal regulations of the Company.
7. To promptly notify the Board of Directors of cases of non-compliance so that the Board of Directors can take appropriate protective measures.
8. To report to the Board of Directors on the activities, issues and recommendations of the Audit Committee.

Article 5. Duties and authorities of the Head of the Audit Committee

1. To develop scheduled/non-scheduled operational plans of the Audit Committee according to the Company's actual situations.
2. To take responsibility for the audit results performed by the Audit Committee to the General Meeting of Shareholders and the Board of Directors.
3. To attend meetings in accordance with laws and internal regulations of the Company.

Article 6. Duties and authorities of Members of the Audit Committee

1. To perform tasks as assigned by the Head of the Audit Committee to develop plans and implement, supervise, and evaluate the audit results.
2. To attend meetings of the Audit Committee and operational meetings to give opinions on audit-related issues raised in the meeting.
3. To perform other duties and exercise other authorities as prescribed by current laws.

Article 7. The Internal Audit Unit

1. The Board of Director establishes an Internal Audit Unit under the Audit Committee to advise and support the Audit Committee in performing its assigned functions and duties and be responsible to the Audit Committee for the implementation of assigned functions, duties and powers.
2. The Internal Audit Unit has at least 3 members with the following structure:
 - The Dead/Deputy Head of the Unit shall be an independent individual, not concurrently serving as a Corporate Executive, and appointed by the Board of Directors. Such person shall be identified as an insider of the Company and thus, shall be included in the information disclosures as stipulated by the Securities Law and the Company's internal regulations.
 - Members of the Unit shall be appointed by the Head of the Audit Committee and not included in the information disclosure procedures

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3. Salary, remuneration and operating expenses of the Internal Audit Unit shall be approved by the Chairman of the Board of Directors per the nature of work, functions and duties of each member in accordance with the provisions of laws and internal regulations of the Company.

Article 8. Right to access information of the Audit Committee

1. When it is necessary to access information of the Company, the Audit Committee shall be obliged to state the reasons in a written request and strictly keep confidential the information and documents collected during the supervision of the Company's activities. The disclosure of such information or documents is only allowed at the request of a competent state agency and upon notifying the Board of Directors or other cases as prescribed by laws.
2. The Audit Committee has the right to access documents and receive reports from the Chief Executive Officer, Financial Director, Chief Accountant and other Corporate Executives related to the audit contents and plans approved by the Board of Directors annually to collect information for the Audit Committee's activities.

CHAPTER III MEETING, REPORTING, ARCHIVING DOCUMENT, AND PROVIDING INFORMATION

Article 9. Meetings of the Audit Committee

1. Meetings of the Audit Committee shall be conducted as prescribed in Article 38 of the Company's Charter.
2. A meeting of the Audit Committee shall be conducted when there are at least 2/3 (two-third) of the members of the Auditing Committee attending the meeting, including the Head of the Audit Committee. In case the Head of the Audit Committee is not able attend the meeting, the Head of the Audit Committee shall authorize a member of the Audit Committee to attend the meeting.
3. Invitation Notice of a meeting of the Audit Committee must be sent to the members at least 02 (two) working days before the meeting date. The Invitation Notice shall be sent via mail, fax, email or other means, which is guaranteed to reach the registered address of each member of the Audit Committee.
4. Meeting venue: meetings of the Audit Committee shall be convened at the Head Office of the Company or other locations as decided by the Head of the Audit Committee or the Authorized Member.
5. A meeting of the Audit Committee may be held in a form of a teleconference between the members of the Audit Committee when all or some of the members are in different places, provided that each member attending the meeting is able to:
 - Listen to each other member of the Audit Committee speaking at the meeting.
 - If desired, he or she may speak to all other participants simultaneously.

The communication between members shall be done directly via telephone or other means of communication or a combination of all these methods. Members participating in such a meeting shall be deemed "present" at such meeting.

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Decisions adopted in an eligibly conducted teleconference will take effect immediately at the end of the meeting and shall be confirmed by signatures in the Meeting Minutes of all Audit Committee Members attending such meeting.

6. Meeting between the Audit Committee and parties related to the audit contents:
 - The Head of the Audit Committee must send an Invitation Notice to related parties at least 02 (two) working days before the meeting date. The Invitation Notice and Meeting Agenda shall be sent via mail, fax, email, or other means to related parties.
 - The method of conducting the meeting shall be decided by the Head of the Audit Committee. The Audit Committee shall have the right to invite the Chief Executive Officer, Corporate Executives, and audited Departments/Units to attend the meeting and report and explain the audited contents as requested by the Audit Committee at the meeting.

Meetings of the Audit Committee must be recorded in the Meeting Minutes by a secretary. The Secretary shall be appointed by the Company's Secretary to support the Audit Committee.

Article 10. Report of the Independent Board's Member serving as a member in the Audit Committee at the Annual General Meeting of Shareholders

- Shall be conducted as prescribed in Article 39 of the Company's Charter
- Reports as prescribed in Article 39 of the Company's Charter shall be sent to the Board Members and the Chief Executive Officer within thirty (30) days before the date of convening the meeting of the General Meeting of Shareholders.

Article 11. Reports of the Audit Committee

1. The Audit Committee shall report to the Board of Directors on the operations and results of delegated tasks periodically or extraordinarily at the request of the Board of Directors.
2. The Audit Committee must report immediately to the Board of Directors when detecting serious violations or when it finds that there is a high risk that adversely affects the Company's operations.
3. The Audit Committee is responsible for establishing and maintaining the reporting regime to the Board of Directors. The content of reports must ensure adequacy and accuracy while reflecting reality and satisfying the information requirements of the Board of Directors.

Article 12. Archiving audit reports and documents

1. Audit records and documents must be recorded in writing (hardcopy/electronic forms) and stored in work order and chronological order
2. Audit reports, records and documents must be kept carefully according to the procedures of the State and the Company

Article 13. Confidentiality and disclosure of information

1. All audit information/documents/dossiers/reports must be kept confidential; providing such information to organizations and individuals that are unrelated to the auditing must be approved by the Chairman of the Board of Directors.

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2. In the cases of providing such information to State agencies, the procedures are carried out in accordance with the current regulations of the laws and the Company.

CHAPTER IV

COORDINATION MECHANISM AND RESPONSIBILITIES OF STAKEHOLDERS

Article 14. Coordination mechanism between the Board of Directors and other stakeholders

The Board of Directors shall:

- Approve and issue internal audit regulations of the Company at the request of the Audit Committee;
- Approve audit plans, annual internal audit plans, and annual audit reports;
- Approve audit budget and resource plans;
- Receive from the Head of the Audit Committee reports on the Audit Committee's performance following the Audit Committee's plans and other matters;
- Create favorable conditions to ensure that the Audit Committee fully implements its powers and duties as prescribed,
- Decide and approve the implementation of recommendations of the Audit Committee;
- The meeting Invitation Notice of the Audit Committee and accompanying documents must be sent to the relevant Board Members and the Audit Committee Members simultaneously;
- When the Audit Committee proposes to select an independent auditing company to audit the financial statements of the Company, the Board of Directors must respond to the opinion according to the time that the Audit Committee proposes;
- Matters that the Board of Directors needs to consult with the Audit Committee must be sent within the prescribed time limit and the Audit Committee is responsible for responding within the prescribed time limit;
- Ensure effective coordination between the Audit Committee and the independent auditing company.

Article 15. Coordination mechanism between the Audit Committee and other stakeholders

The Audit Committee shall:

- On behalf of the Board of Directors, issue, amend and adjust the Internal Audit Process and amend annual internal audit plans;
- On behalf of the Board of Directors, decide on the standards and number of personnel; appoint and dismiss the personnel of the Internal Audit Unit (except for the Head and Deputy Head);
- On behalf of the Board of Directors, direct and supervise the activities of the Internal Audit Unit;
- Consider and evaluate internal audit results/reports of the Internal Audit Unit before submitting to the Board of Directors;

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- Review, inspect and evaluate to ensure the effectiveness of the auditing; take primary responsibilities for ensuring the quality of audit activities;
- Ensure that the auditing takes place in appropriate locations and that there are no unreasonable obstacles to the auditing activities;
- Regularly formulate, amend, supplement and update audit methods and policies to submit to the Board of Directors for decision;
- Ensure effective coordination between the Internal Audit Unit and the independent auditing company;
- Notify the Board of Directors of the operational results; consult the Board of Directors before submitting reports, conclusions and recommendations to the General Meeting of Shareholders;
- The Audit Committee shall have the right to request members of the Board of Directors, the Chief Executive Officer and representatives of the independent auditing company, when necessary, to attend the meetings of the Audit Committee or separate executive sessions to answer the matters of concern of the Members of the Audit Committee;
- In case there is a conflict between the Internal Audit Committee and the Chief Executive Officer/Corporate Executives, the audited Departments/Units, the Audit Committee is entitled to advise and propose solutions to the Chairman of the Board of Directors for considerations and decisions;
- When detecting violations of the laws or the Company's Charter by members of the Board of Directors, the Audit Committee shall notify in writing the Board of Directors within 48 (forty-eight) hours and request the violators to stop the violation and take remedial measures; at the same time, the Audit Committee shall be responsible for reporting at the nearest General Meeting of Shareholders and disclosing information in accordance with current laws;
- Make other decisions in accordance with the provisions of the Enterprise Law, the Charter, and the Regulations on Corporate Governance.

Article 16. Coordination mechanism between the Audit Committee and the Chief Executive Officer

- The Chief Executive Officer shall create favorable conditions for the Audit Committee to perform the assigned tasks; direct the Vice Presidents/Directors/Heads of Units/Departments to coordinate with the Audit Committee following the approved audit plan to reduce risks and improve control performance and operational efficiency to achieve assigned tasks and objectives;
- The Chief Executive Officer shall be responsible for urging the subordinate Units/Divisions to implement the recommendations agreed with the Audit Committee or under the direction of the Board of Directors; notify the Audit Committee on the implementation of the recommendations agreed upon by the Audit Committee;
- The Chief Executive Officer shall ensure that the Audit Committee is fully informed of changes and new problems arising in the Company's operations in order to detect relevant risks in a timely manner;
- The Audit Committee shall have the right to request the Chief Executive Officer and representatives of the independent auditing company to attend the meetings of the Audit Committee to answer the matters of concern of the Audit Committee Members;

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- Members of the Audit Committee shall have the right to request the Chief Executive Officer to facilitate access to documents and records at the Company's Head Office or where records are kept;
- Matters that the Audit Committee needs to consult with the Chief Executive Officer must be sent at least 03 (three) working days in advance and the Chief Executive Officer shall review and respond within 03 (three) working days.

Article 17. Coordination mechanism with audited Departments/Units

Audited Departments/Units shall:

- Provide all necessary information, documents and records for the internal audit activities at the request of the Audit Committee in an honest, accurate, and unconcealed manner;
- Immediately notify the Audit Committee when detecting weaknesses, shortcomings, errors, risks, or great losses of assets or risks of loss of assets;
- Implement the recommendations agreed with the Audit Committee or under the direction of the Board of Directors and the Chief Executive Officer;
- Create the most favorable conditions for the Audit Committee to work most effectively

**CHAPTER V
EXECUTION PROVISIONS**

Article 18. Amendments to the Regulation on Operations of the Audit Committee

- The Head of the Audit Committee shall be responsible for periodically reviewing this Regulation and propose necessary amendments, supplements and replacements;
- The amendment, supplement and replacement to the Regulation on Operation of the Audit Committee shall be decided by the Board of Directors;
- Any provisions of the Law relating to the operations of the Audit Committee and not stipulated in this Regulation shall be automatically applied and govern the operations of the Audit Committee.

Article 19. Effectiveness

This Regulation on Operation of the Audit Committee of the Company comprising of 05 (five) chapters divided into 19 (nineteen) articles shall come into effect from 24th June 2021.

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN**

(Signed and sealed)

NGUYEN VAN DAT