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VIETNAM NATIONAL PETROLEUM GROUP SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Hanoi, 26th April 2024



STATEMENT

***On approving Directors & Officers (D&O) Liability Insurance Guideline for
Vietnam National Petroleum Group (Petrolimex)***

**Attn: 2024 Annual General Meeting of Shareholders
Vietnam National Petroleum Group (Petrolimex)**

Pursuant to:

- The Law on Enterprises No. 59/2020/QH14 dated 17th June 2020;
- the Decree No. 155/2020/ND-CP of the Government dated 31st December 2020 on detailing a number of Articles of the Law on Securities and the Circular No. 116/2020/TT-BTC of the Ministry of Finance dated 31st December 2020 on detailing a number of Articles on corporate governance for the public companies in the Government's Decree No. 155/2020/ND-CP of the Government.
- The Charter of Vietnam National Petroleum Group (Petrolimex) approved by the General Meeting of Shareholders on 26th June 2023;

Petrolimex Board of Directors reports and request the General Meeting of Shareholders (GMS) to accept and approve the ***“D&O Liability Insurance Guideline for objects from Petrolimex managers to members”***, as follows:

1. Assessment on necessity for Petrolimex

First, Petrolimex has no effective tools to prevent the legal and financial risks which may affect managers at all levels from Petrolimex and its member units. D&O Insurance is an effective risk management to protect the Group's image and prestige as well as benefits of the leaders and managers, contributing to the Group's business efficiency.

Second, D&O insurance costs in Vietnam market are lower than that in the international market and the Southeast Asia. Petrolimex development speed and strategy require to have the best protection for its managers and staff.

Third, for Petrolimex, D&O policy helps to protect the entity's assets, provide the legal assistances and lawyers in case of litigations and facilitate the Group to attract and retain the best managers. For Petrolimex manager as individual, D&O policy helps to protect

the personal assets, provides the legal costs and support/protection in the event that such individual needs to use the legal service for protection and defense against litigations related to them or targeted to them.

Besides, in Vietnam market, the quick survey released by the insurers unveiled that many powerful Groups and enterprises have procured D&O insurance for leaders and managers to protect benefits of individuals and enterprises (in the event that the enterprise pays for arisen claims on behalf of the individual) to indemnify the legal liabilities of the Directors and managers.

Some units have involved in such insurance such as Vingroup, Nghi Son Oil Refinery Complex, Vietcombank Securities, Vina Capital, FPT, BIDV, Masan Group, Jestar Pacific, ACB, Big C, Saigon Asset Management, Eximbank, Vp Bank, ABB Vietnam, etc.

2. Expected subjects of insurance coverage:

According to the laws and Petrolimex's Charter, the subjects covered by D&O insurance scope include: the Chairman of Board of Directors, members of Board of Directors, the General Director, Vice General Directors and other managers in accordance with Petrolimex's Charter and internal regulations.

3. Estimates of D&O insurance expenditures

Expenditure estimates are based on each liability level in accordance with:

(1) Annual revenue, physical and technical facilities, freights, inventories, etc., obtained by the Group reach up to hundreds of thousand billion Vietnam dong.

(1) Petroleum sector is characterized by very high risks with high goods value, D&O liability coverage is relatively wide (applicable to all objects holding the managers in the whole sector). Therefore, potential risks of claims and lawsuits are very high.

4. Implementation time: 2024 onwards.

Kindly submit to the 2024 Annual General Meeting of Shareholders for consideration and approval.

**ON BEHALF OF BOARD OF DIRECTORS
CHAIRMAN**

Pham Van Thanh