



HoChiMinh City, 06 April 2016

REPORT OF THE BOARD OF DIRECTORS

AT THE FY2015 ANNUAL GENERAL MEETING OF SHAREHOLDER

I. ASSESSMENT OF THE BOARD OF DIRECTORS ON THE OPERATIONS OF HSC IN 2015

A. Assessment of the Board of Directors on the operations

Vietnam's economy in 2015

In 2015 the Vietnamese economy faced 3 major challenges. Firstly, the slow recovery of the global economy was perhaps the most significant challenge. Secondly, the significant fall of the oil price adversely affected the Government's budget structure. Thirdly, the local currency has been under considerable pressure stemming from the Chinese decision to devalue their currency coupled with rising US interest rates.

These challenges aside, Vietnam's industrial production growth and low inflationary environment contributed to an overall stronger domestic economy in 2015. The Nationally Assembly introduced the Enterprise Law and the Investment Law; new regulations that help improve the business environment. Additionally, the TPP trade agreement was signed and several other important market development initiatives were introduced by regulators to help facilitate the ongoing recovery of domestic economic growth.

But stronger economic growth in 2015 did not result in a corresponding recovery in the local stock market. Vietnam's stock market continued to be impacted by several external factors, such as events in the East Sea, the volatility and collapse in oil prices, China's stock market, exchange rate pressures and movements in international capital flows. Several internal factors also contributed to the failure of the stock market to meaningfully recover. While we welcomed Decree 60/2015 on increasing foreign ownership limits in Vietnamese companies, investors require further clarity on eligible industries and limits. This delay in regulatory guidance has been disappointing for investors wanting more exposure to Vietnamese equities. The other significant internal factor holding back the market in 2015 was the failure to complete the equitization plan for 200 state-owned enterprises, as anticipated. Investors were expecting the listing of several trillion dong IPOs that ultimately did not happen and this adversely affected investor behavior.

Business result in 2015

Combined together, these negative domestic and international factors did have an impact on our 2015 results. The HSC after-tax profit was VND 213 billion which represented 65% of the FY15

plan approved by shareholders at last year's Annual General Meeting (AGM). Whilst each Division was profitable, the targets were not achieved. The results were caused by several factors, including a 14% drop in average daily market turnover and lower than expected performance of the Equity Investment Function which was significantly adversely affected due to inaccurate market forecasts.

Although the brokerage sector suffered somewhat in 2015, HSC remains confident in our sustainable development strategy. Our brokerage market share for Private Clients Division dropped to 6.9% from 7.4% in 2014. This was primarily to a decrease in market trading value as well as fierce pricing competition between companies in the industry in which we operate. Meanwhile Institutional Client Division maintained its market share and achieved its target of 3.4%.

Enhancing Corporate Governance

As part of Effective corporate governance is an essential objective at HSC. We aim to meet international standards by ensuring we maintain an effective governance framework right across the company. We made some notable corporate governance enhancements during 2015, such as:

- Formally establishing an Executive Committee (EXCO) and Investment Committee (IC) and documenting the operational responsibilities of these committees.
- The name of the Risk Management Executive Committee (RMEC) was changed to the Risk Management Committee (RMC) and its mandate and objectives were clearly documented.
- Limits of Authority (LoA), which set out transactional and departmental financial limits were reviewed and updated by the Risk Management Division. Limits for non-financial activities are also being developed to ensure the financial and non-financial activities separately considered..
- The scope of the Business process improvement (BPI) project was extended to the Business Process Management (BPM) project, which will increase our risk management capabilities.

HSC received several awards during 2015 that recognized our enhancements in corporate governance and risk management activities, as well as our sustainable contribution to the community.

- In July 2015, we received a certificate of merit from the Prime Minister, Nguyen Mr. Tan Dung, recognizing HSC as for outstanding contribution to the development of the stock market in the period of 2010 – 2014. HSC was one of only two brokers to receive this award.
- In November 2015, we received the award for Corporate Governance: "ASEAN Corporate Governance" awarded by ASEAN Corporate Governance Scorecard.

- During the year we were the recipient of several awards relating to our 2015 Annual Report by HOSE and Vietnam Investment Review.

B. Assessment of the Board of Directors on the Performance of the Management Team

In 2015, the Board of Directors supervised the activities of the CEO and Management Team relating to the implementation of resolutions of the shareholders agreed at the FY14 AGM as detailed below:

1. Methods of supervision

The Board of Directors and the Supervisory Board thoroughly understood the operations of the Company, enabling them to assist the CEO and the Management Team in the fulfilment of their respective responsibilities.

Representatives of the Board sub-committees regularly reported at the meetings of the Board of Directors as follows.

- The Board Risk Management Committee reported all significant risks arising in each quarter, and proposed recommended action plans to mitigate these risks; and
- The Board Internal Audit Committee reported on the number of internal audits conducted in the quarter, including audit findings and recommendations for strengthening the internal control environment.

The Board of Directors and the Supervisory Board assessed the feasibility of all action plans and all recommendations, seeking to provide more practical solutions where applicable.

The Board of Directors issued resolutions after each periodic meeting and upon request, to approve the business results for each quarter. The Board also provided strategic guidance, oversight and input relating to the state of the markets and general economy which was used to help develop business plans for the subsequent quarter. Regular communication by the Board with the CEO and Management Team helped to oversee the implement of these plans to help meet HSC's strategic objectives.

2. Results of supervision

Business results in 2015 with the basic financial indicators are as follows:

Unit: VND million

Target	2015	2014	Change	2015 Plan	% Plan
Revenue	591,139	831,135	-29%	779,171	76%
Profit before tax	271,500	482,161	-44%	415,651	65%
Profit after tax	213,310	376,152	-43%	324,208	66%

3. Conclusion

In accordance with our Company Charter and policies & procedures, the Board of Directors delegates the Management Team to carry out the daily operational activities of the Company and

to implement strategic decisions aligned with our business plans. Through quarterly reports on business performance, the Company's daily operation reports, and ad-hoc management reports, the Board of Directors evaluates that the CEO and the Management Team have executed their duties in compliance with prevailing laws; the Company Charter and the AGM shareholders' resolutions. Additionally, the Board of Directors has conducted and performed their duties with care, professionalism and integrity, thus protecting the interests of the Company and its shareholders. Every effort was made to achieve the targets set by shareholders at last years' AGM, however due to several external factors beyond our control, we were unable to fully meet these targets.

C. Plans and strategies of the Board of Directors

We expect that globally, economic conditions will remain challenging in 2016. It is likely that China's economy will continue to slow and there is uncertainty and volatility in commodity prices. Europe's debt woes continue to overhang progress in the Eurozone. However there are compelling domestic reasons that we believe will drive stock market growth in Vietnam. GDP is expected to increase underpinned by stable macro-economic factors such as benign inflation and a managed exchange rate. Relaxing foreign ownership rules, a strong IPO calendar, trade agreements and the anticipated introduction of listed derivatives in early 2017 are persuasive factors that reinforce and support trigger local equity markets in 2016. In light of this, and to drive sustainable shareholder value, the Board of Directors will focus on the following activities in 2016:

- Developing a five-year strategic plan for the period of 2016 - 2020;
- Strengthening and developing the Company's key businesses activities by expanding the operational network and diversifying products and services for our clients;
- Enhancing corporate governance as well as risk management and risk control responsibilities in financial management, accounting and auditing, and enterprise risk management by upgrading the capabilities and competencies of the committees under the Board of Directors;
- Continuing to enhance transparency in business operations, and ensuring fulfillment of the Board of Directors' independent members' responsibilities;
- Committing to standardizing our procedures to drive efficiency gains, aligning our current processes with applicable laws, especially relating to information security, risk management, internal controls, internal audit and margin lending;
- Increasing the efficiency of capital utilization through enhancing products and services offerings, as well as investing in research and development activities for new products and services to meet both international standards, regulatory requirements and clients' needs;
- Researching and implementing effective and efficient operational models to enable sales and trading of listed derivative products;

- Promotion and enhancement of corporate values by sustainable development through participating in drafting strategic CSR development plan;
- Develop a succession plan for the next generation of management.

II. CORPORATE GOVERNANCE 2015

Strong corporate governance is an essential element to building a strong business foundation and bringing sustainable value to our business. Our approach to corporate governance is derived from a set of values and behaviours that underpin our daily activities, provide transparency and accountability, and seek to protect stakeholder interests. We are committed to excellence in corporate governance standards, which we see as fundamental to the sustainability of our business and our performance.

1. Rights of Shareholders

1.1. Shareholders Meeting

On 16 April 2015, HSC held the 2014 Annual General Meeting (2014 AGM). All procedures, laws and regulations at that AGM were followed to ensure protection of shareholders' benefits and rights.

- All shareholders received full and concise information relating to the 2014 AGM in the invitation. The invitation contained the time, place, agenda and basic information for registration. All information of the 2014 AGM was published on the HSC website in both Vietnamese and English fifteen (15) days prior to the AGM. In addition, the invitation was also published on Vietnam Investment Review.
- To facilitate all shareholders and proxy representatives, the 2014 AGM was held on a working day and the admission desk was opened one (1) hour prior the meeting. HSC used barcodes to confirm shareholders' ID and supporting documents as well as the voting and election ratios.
- A group of chairing members was selected to oversee the AGM which included the Chairman, the Board of Directors' members and the CFO. Additionally, external audit representatives were also invited to the meeting. The chairing members were available to respond to any questions and encouraged shareholders or proxy representatives to comment in order to jointly build sustainable growth for HSC.
- Meeting minutes, voting result report and the 2014 AGM Resolutions were published on the HSC website in two (02) languages (English and Vietnamese) within twenty four (24) hours after the AGM.

1.2. Divident payment

- In line with current practice, seventy percent (70%) of the profit after tax is used to pay annual dividends to shareholders. Depending on the business results in past years, the dividend rate ranged from twelve percent (12%) to twenty percent (20%). HSC always commits to pay at least between these boundaries or even at a higher rate than approved rate at the AGM.

- At the 2014 AGM, shareholders approved an ordinary share dividend payment rate of 12% in 2015. The execution plan for the dividend payment in 2015 is summarized as follows:
 - The company issued 1st cash dividend advancement of 2015 at a rate of five percent (5%) (*approximately equivalent to VND500/share*), which was paid to shareholders on 06/01/2016, as announced by the BODs in Resolution No. 05/2015/NQ-BODs dated 23.10.2015.
 - In order to maintain an attractive equity return rate for HSC's shareholders, the BODs will submit a proposal to the AGM 2015 to approve higher rate for second cash dividend payment relating to the 2015 financial year, in comparison to the Plan as approved at the AGM.

2. Shareholders' equal rights

2.1. *Appoint a proxy in the General Meeting of Shareholders*

Where a shareholder is absent and cannot delegate a proxy to attend the AGM, that shareholder has the right to delegate a member of the Board of Directors or Supervisory Board on their behalf and to make decision on all the resolutions and issues discussed at the AGM.

2.2. *Voting at AGM*

Each shareholder or proxy attending the AGM were given voting cards and voting forms using HSC templates. The voting card and voting form have barcodes so the vote count can be conducted efficiently and accurately. Shareholders use voting cards to vote for resolutions raised at the AGM. Key content for the AGM was sent to shareholders prior to the meeting. Shareholders must confirm their voting by inserting a cross in one of three (3) boxes provided. These boxes are termed "approved", "fail" and "no comment" and the shareholders are required to sign the form to confirm and validate the vote.

2.3. *Election, discharge, dismissal and addition of members into the Board of Directors and Supervisory Board*

Election, discharge, dismissal and addition of members into the Board of Directors and Supervisory Board must be approved at the AGM.

The selection and appointment of new members to the Board are made in accordance with formal procedures stated clearly and transparently in the Company Charter and Corporate Governance Policies. In the event of composition changes to the Board of Directors during the middle of member's term, the Board will nominate and appoint the temporary member according to the Company Charter and Corporate Governance Policies. The nomination and appointment will be submitted at the next AGM for ratification.

3. Stakeholder

3.1. *Stakeholder relationships*

Clients

As a leading financial services provider, HSC strives to provide best execution and quality research to our broad range of institutional and private brokerage clients. For our corporate clients, we provide connectivity that reaches beyond Vietnam and therefore provides potential capital flows from abroad. Continuous product and IT innovation coupled with a quality service mind set builds trust with our clients. We demonstrate the highest standards of professional integrity to our clients.

Shareholders

HSC is committed to creating long term sustainable value for our shareholders. Exploiting our competitive advantages is the key to delivering value to our shareholders. We always protect the rights of our shareholders without discrimination. All shareholders have equal access to information to ensure they are fully informed to make investment decisions appropriate for them.

Employees

HSC considers people as one of the most valuable assets. Development strategy is based on professionalism and competence. We promote a work-life balance that respects the diverse backgrounds of our employees. We expect our staff to treat each other with courtesy and respect. We expect our staff to demonstrate kindness, care and empathy to each other at all times to help strengthen the already established bonds between them. Furthermore, we expect that our staff respect the same protocols towards external parties, exhibiting altruism to human nature in the environment in which we live.

Working in an environment where humanity is respected as a virtue and expressed as a corporate value, behaviour can be shaped in a very positive way and exhibit to all stakeholders. All staff at HSC, including the Board of Directors, then become ambassadors to convey the humanity message to all stakeholders included clients, shareholders, regulators, authorities and communities.

Communities

HSC is dedicated to contributing to all aspects of community development. We endeavour to implement initiatives that have long term positive impacts on all communities in which we live in and work, and also those where we don't. We believe that whilst giving back to communities enhances our corporate image, our driver in community development is simply one of Humanity. Raising community standards is a core objective which we believe will be an essential component of our future success.

Environment (Market)

We recognize our responsibility to contribute to the development Vietnam's capital markets. We are recognized as a pioneer locally, supporting holistic growth in products, market activity and corporate expansion and therefore fostering goodwill from domestic and foreign observers. We play an active role in shaping the market and the rules by which we are bound, through our

interaction and ongoing dialogue with the Regulator. It is a leadership and supporting role that HSC is obligated to fulfil.

3.2. **Communication channel**

HSC Head of Communication, Mr. Hoang Cong Tuan is the central contact point for all external communication. He may be contacted on (+ 84 8) 3823 3299 (Ext 194) or by email tuan.hc@hsc.com.vn. All questions will be transferred to the relevant department.

4. **Information Disclosure**

Policy on information disclosure

Information disclosure policies at HSC comply with all regulations and are aligned with our corporate governance policies. The information HSC discloses is in accordance with the following principles:

1. The disclosed information should be accurate, complete, clear and must be disclosed within the agreed time frame;
2. The disclosed information must comply with current regulations;
3. All stakeholders have the right to access disclosed information;
4. Information that may have a significant impact on the share price of HCM, or possibly influence investor decisions, affect shareholder rights, or events occur that may adversely affect the legitimate interests of investors, should be disclosed in timely manner and shall be disclosed in HSC's official website, and to the Ho Chi Minh City Stock Exchanges (HOSE) and the State Securities Commission (SSC).

5. **Board of Directors**

5.1 **Board of Directors members and its structure**

In 2015 the Board of Directors has maintained operations in compliance with the Company Charter and corporate governance policies. The Board of Directors consists of seven (7) members. Its structure ensures the balance between members with various skills, knowledge and experience including legal, finance and securities professions with a balance between executive, non-executive and independent members. The names of the persons who have been or are Directors in the reporting period are listed below, along with their shareholding and the voting rights of each members including individuals and representative:

Full name	Board of Directors' Member Independent	HCM shares ownership %		Full name Non-executive	
		Non-executive	Independent		
01	Do Hung Viet	√		-	0.01
02	Le Anh Minh		√	15.43 (**)	0.03
03	Nguyen Thanh Liem		√	20.63 (*)	-

Full name	Board of Directors' Member Independent	HCM shares ownership %			Full name
		Non-executive	Independent	Non-executive	
04	Le Thang Can		√	8.84 (*)	-
05	Pham Nghiem Xuan BAc	√		-	0.28
06	Johan Nyvene		√	15.43 (**)	0.40
07	Trinh Hoai Giang		√	-	0.10

Notes:

(*) *The percentage of representatives from the HCM Finance and Investment state-owned Company (HFIC), a key state-owned shareholder owning 29.47% of HSC's charter capital.*

(**) *The percentage of representatives from the Dragon Capital Markets Limited (DC), a key foreign shareholder accounting for 30.87% HSC's charter capital.*

5.2 Board of Directors members changes

At the 2014 AGM, HSC elected Mr. Le Thang Can as a representative of HFIC, to replace Mr. Hoang Dinh Thang who resigned. This appointment was affective from 16 April 2015.

5.3 Chairman of the Board of Directors and CEO are separate roles

The separation of the Chairman and CEO roles demonstrates independence and a clear delineation of responsibilities between the Board of Directors and the Management team. This separation ensures the dispersion of decision making, greater accountability and independence in Board of Director governance.

The Chairman of the Board of Directors is an independent member. He was appointed to the Board of Directors in 2007 and is now in his third term on the Board.

5.4 Roles and responsibilities of the Board of Directors

In accordance with the provision of Enterprise Law and the Company Charter, the Board of Directors is the governing body of HSC, which has ultimate decision-making authority, and it is empowered on behalf of the Company to carry out its duties and fulfil its obligations to the shareholders, which are not necessarily under the jurisdiction of the AGM.

In carrying out its duties, the Board of Directors must comply with all laws, the Company Charter and resolution made at the AGM. In the event decisions made by the Board contradict the law or Company Charter, thereby causing damage to the Company, the members who voted in favour of for these decisions are jointly and individual liable for any damages.

5.5 Board of Directors activities

The Board of Directors held six (6) meetings during the financial year. At these meetings, the Board assessed quarterly business results and market commentary, reviewed strategic plans for the subsequent quarter, and approved other matters under their authority. Resolutions were passed only when more than half the members voted in favour of the resolution. Each Director attended the following Board of Director meetings during the financial year ended 31 December 2015:

Meetings of the Board of Directors in 2015

Board Member	Position	Start date / end date term	Attended	Participation percentage	Reasons for absences
Do Hung Viet	Chairman	08/04/2011	6/6	100%	
Le Anh Minh	Vice chairman	08/04/2011	6/6	100%	
Nguyen Thanh Liem	Vice chairman	08/04/2011	6/6	100%	
Pham Nghiem Xuan Bac	Member	08/04/2011	6/6	100%	
Hoang Dinh Thang	Member	16/04/2015	2/6	34%	Resigned 16/04/2015
Johan Nyvene	Member	08/04/2011	6/6	100%	
Trinh Hoai Giang	Member	08/04/2011	6/6	100%	
Le Thang Can	Member	16/04/2015	4/6	66%	Appointed 16/04/2015

Resolutions of the Board of Directors during Board Meetings in 2015

Session	Resolution Number	No. of Participants	Content
Session 1 09/02/2015	01/2015/NQ-HĐQT Collecting written opinions	7/7	- Approved the time and venue of the 2014 AGM and the main content of the reports to be presented at the meeting.
Session 2 25/03/2015	02/2015/NQ-HĐQT	7/7 Observer: BOS	- Reviewed 2015 business plan forecast - Approval of Board member change from Ho Chi Minh City Finance and Investment Company - Updated the AGM 2015 agenda - Appointed representatives at HD Saigon
Session 3 14/05/2015	03/2015/NQ-HĐQT Collecting written opinions	7/7	- Approval of the selection of external auditor for 2015 - Increased the credit limits at Ho Chi Minh City Development Joint Stock Commercial Bank (HD Bank)
Session 4 14/08/2015	04/2015/NQ-HĐQT	7/7 Observer: BOS	- Reporting of financial results for the first 6 months of 2015 - Review forecasts for 2H15 - Implemented the required current legal

Session	Resolution Number	No. of Participants	Content
			<ul style="list-style-type: none"> procedures to maximize of foreign ownership percentage - Prepared for new securities market initiatives - Relocated Kim Lien transaction office, Hanoi Branch
Session 5 23/10/2015	05/2015/NQ-HĐQT	7/7 Observer: BOS	<ul style="list-style-type: none"> - Reporting business result for the first 9 months of 2015 - Approved the first advanced dividend payment 2015 - Officially approved the establishment of Executive Committee (EXCO), Investment Committee (IC) and updated the name of Risk Management Executive Committee (RMEC) to Risk Management Committee (RMC)
Session 6 17/11/2015	06/2015/NQ-HĐQT Collecting written opinions	7/7	<ul style="list-style-type: none"> - Approved the increase of credit limit at Ho Chi Minh City Development Joint Stock Commercial Bank - Approved credit limits appraisal at Vietnam Prosperity Bank

5.6 Committees under the Board of Directors

The Board of Directors has established two (2) committees under the Board of Directors including Board Risk Management and Board Internal Audit Committee. Their responsibilities are to consult and assist the Board of Directors in maintaining and reinforcing internal control activities. The structure of both Committees comprises independent and non-executive members of the Board of Directors who have been selected based on their skills, knowledge and experience.

STT	Full name	Title	Board Risk Management Committee	Board Internal Audit committee
		Chairman		Chairman
01	Do Hung Viet	Independent member	√	√
		Vice chairman	Chairman	
02	Le Anh Minh	Non-executive member	√	
		Member		√
03	Le Thang Can	Non-executive member		
		Member	√	
04	Pham Nghiem Xuan Bac	Independent member	√	
		Member		√
05	Dang Nguyet Minh	Member of BOS		

5.7 *Activities of non-executive members of the Board of Directors*

The current structure of the Board of Directors ensures the balance between executive and non-executive members. At least one-third of the total members of the Board of Directors are independent members. This ensures the Board of Directors reach objective and independent decisions.

Most non-executive members are also members of Committees under the Board of Directors. In addition to their duties as Board Directors, they are also responsible for assigned work at their respective Committees.

5.8 *Activities of the Committees of the Board of Directors*

1. The Board Risk Management Committee

The Board Risk Management Committee assists in supervising.

- (i) The structure of corporate risk management;
- (ii) Policies and guidelines on governance and risk assessment and evaluation;
- (iii) Levels of risk tolerance;
- (iv) Sources of capital, liquidity capabilities and capital raising activities of the Company, and
- (v) The performance of the Head of the Risk Management Division.

In 2015, the Risk Management Division submitted for Board of Director approval the Operating Principles of Executive Committee (EXCO), Investment Committee (IC), and updated the name of Risk Management Executive Committee (RMEC) to Risk Management Committee (RMC) as well as updating the Operating Principles of this committee. The Risk Management Division is in the process of updating and amending Limits of Authority (LoA) which will be presented to the Board Risk Management Committee for approval before submitting to the Board of Directors.

On a quarterly basis, the Risk Management Division reports to the Risk Management Committee on all identified significant risks, and remediation plans and status assessments of those significant risks. These are reported to and discussed at Board of Directors meetings to ensure risk issues receive appropriate Board consideration and guidance.

2. The Board Internal Audit Committee

The Board Internal Audit Committee was established at the beginning of 2014 and has completed and submitted its Operating Principles and Charter for the approval of the Board of Directors.

The Board Internal Audit Committee continues to cooperate on internal audit activities with KPMG Vietnam, as per a three-year contract from 2014 to 2016. During this time, the Internal Audit Function, as well as the Board Internal Audit Committee, will be trained by KPMG in the design of internal audit plans, and jointly perform annual, half year or ad-hoc internal audits. At

the end of this contract, HSC expects to have an independent and fully capable Internal Audit Function that reports directly to the Board Internal Audit Committee.

In 2015, several Internal Audit reviews were performed, including reviews of the Private Client Division, Institutional Client Division and information technology process. In addition to these reviews the Internal Audit Function monitors the implementation of audit recommendations on these processes to ensure that remediation to the internal control environment occurs. Implementation and remediation reports are presented at meetings of Board Internal Audit Committee.

5.9 Participation of members of the Board of Directors in corporate governance programs

All members of the Board of Directors actively participated in a two-day corporate governance training program run by The Securities Research and Training Center in Ho Chi Minh City branch. All members received a certificate verifying their successful completion of this program, except for Mr. Pham Nghiem Xuan Bac, who was unable to attend.

The Chairman represented HSC at several corporate governance seminars during 2015, including:

- International Forum: Improving Corporate Governance Practices in ASEAN (04/09/2015), hosted by State Securities Commission of Vietnam and International Finance Corporation (IFC);
- Investor Relations seminar (16/10/2015) hosted by Ho Chi Minh Stock Exchange and Maybank Kim Eng Securities JSC).

5.10 Assessment of operational effectiveness of the Board of Directors

The Board of Directors have taken several steps to improve corporate governance and align our standards with current regulations and international practice. For example, during 2015, the Board:

- Carried out activities appropriate to the Company Charter, ensuring the number of meeting were held and that all Board members attended the meetings
- Clearly defined the roles of independent and non-executive members were clearly defined in order to maximize interests of all shareholders
- Supervised the implementation of the Board of Directors' decisions and resolutions at the AGM;
- Directed and supervised the implementation of various important projects at HSC, including those relating to risk management, internal audit, and improvements in business processes;
- Oversee the Board Committees to ensure compliance with the Operating principles and Company Charter

6. Transactions, remuneration and benefits of the Board of Directors, Management Team and Supervisory Board

6.1. Remuneration of the Board of Directors and Supervisory

The operating funds of HSC's Board of Directors and Supervisory Board in 2015 amounts to one percent of profit after tax, as approved at the AGM 2014.

Quarterly remuneration payments to members of the Board of Directors and Supervisory Board comply with Resolution 12/2011/NQ-HĐQT, dated 21 December 2011, which covers the approval of remuneration for the Board of Directors and Supervisory Board.

Remuneration of the Board of Directors' members in 2015

Unit: VND

No	Name	Position	Specialization	Executive role	Remuneration per month (after tax)	Note
01	Do Hung Viet	Chairman	√		Salaried employee	
02	Le Anh Minh	Vice Chairman			10.000.000	
03	Nguyen Thanh Liem	Vice Chairman			10.000.000	
04	Pham Nghiem Xuan Bac	Member			10.000.000	
05	Hoang Dinh Thang	Member			10.000.000	Resigned 16/04/2015
06	Le Thang Can	Member			10.000.000	Appointed 16/04/2015
07	Johan Nyvene	Member		√	Salaried employee	
08	Trinh Hoai Giang	Member		√	Salaried employee	

Remuneration of the Supervisory Board members in 2015

Unit: VND

No.	Name	Position	Remuneration per month (after tax)
01	Vo Van Chau	Chairman	10.000.000
02	Doan Van Hinh	Member	6.000.000
03	Dang Nguyet Minh	Member	6.000.000

Based on the remuneration presented above and the prevailing number of members of the Board of Directors and Supervisory Board at certain times, the payment of remuneration and operating expenses to the members of the Board of Directors and Supervisory Board specifically are detailed as below:

Table detailing remuneration and operating expenses of the Board of Directors and Supervisory Board in 2015

No.	Content	Amount (VND)
01	Operating fund of the Board of Directors and Supervisory Board at the beginning of 2015	586,231,248
02	Operating fund of the Board of Directors and Supervisory Board in 2015 (1% of 2014 profit after tax)	3,761,520,472
	Operating expenses of Board of Directors and Supervisory Board	3,650,602,391
03	1. Remuneration of the Board of Directors & Supervisory Board in 2015	882,666,656*
	2. Other operating expenses	2,767,935,735
04	Operating fund of the Board of Directors & Supervisory Board carried forward at the end of 2015	697,149,329

*Note: * Total remuneration of the Board of Directors was VND 559,999,992 and Supervisory Board was VND 322,666,664 (including personal income tax).*

6.2. Regulation of bonuses to the Board of Directors and Supervisory Board's members

Other than the regulation of remuneration to the members of the Board of Directors and Supervisory Board as presented above, the independent and non-executive members of the Board of Directors and Supervisory Board do not receive any amount as bonuses from the Company bonus & welfare funds.

6.3. Regulation on benefits to the members of the Board of Directors and Supervisory Board

Currently, the Company' business expenses benefits (including those relating to the use of company cars; telephones; social, medical and other insurance; the annual health check, and other items specified in the Company's policies) and other benefits in internal policies are only applicable to the Chairman of the Board of Directors. Only business travel expenses from other members of the Board of Directors and Supervisory Board are charged to the Company (if incurred).

6.4. Share trading transactions of internal shareholders

In 2015, HSC recorded the following transactions of HCM shares with respect to internal shareholders:

No.	Name	Relationship with internal shareholders	Number of shares owned initially		Number of shares owned at the end period		Reasons for increase, decrease (purchase, sell, convert, reward)
			Number of shares	Percentage (%)	Number of shares	Percentage (%)	
01	Resonance JSC	Company related to Pham Nghiem Xuan Bac –	651,672	0.51	651,672	0.51	Registered to sell 100,000 shares from 10/07/2015 to 07/08/2015, but not yet sell due to inappropriate

No.	Name	Relationship with internal shareholders	Number of shares owned initially		Number of shares owned at the end period		Reasons for increase, decrease (purchase, sell, convert, reward)
			Number of shares	Percentage (%)	Number of shares	Percentage (%)	
		Member of the Board of Directors	651,672	0.51	451,672	0.35	shares' price. 20.000 shares decreases after sales transaction from 14/08/2015 to 19/08/2015.
			451,672	0.35	481,672	0.38	30.000 shares increase after purchases transaction from 04/12/2015 to 31/12/2015.
02	Pham Nghiem Xuan Bac	Member of the Board of Directors	360,000	0.28	360,000	0.28	Registered to sell 60,000 shares from 10/07/2015 to 07/08/2015, but not yet sell due to inappropriate shares' price.

6.5. Transactions with related parties, major shareholders, internal stakeholders and their related parties

No.	Related parties	Relationship	Headquarter	Date of transaction	The Board of Directors resolution No.	Quantity, percentage of shares after transactions	
						Quantity	Percentage
01	Dragon Capital Markets Limited (DC)	Strategic shareholder	Room1501, 15 th Floor, Me Linh Point, No 02 Ngo Duc Ke Street, District 1, HCMC	07/12/2015	No. 08/2014/NQ -HDQT dated 03/10/2014	39,278,810	30.87

Note:

HSC and DC signed contract on providing consultancy services about business processes, in which DC supports HSC for market research, corporate finance, institutional brokerage, merger and acquisition. The contract term is three (03) years from 2014 to 2016 and consultancy fees for 2015 was VND 9,618,991,691 (VAT included).

All contents of the report of the Board of Directors are presented. On behalf of the Board of Directors, I would like to thank to Shareholders, Customers, Partners and Employees of HSC who have tried their best to overcome the challenges and to complete the company's mission successfully.

Best regards.

**For and on behalf of the Board of Directors
CHAIRMAN**

(signed and seal)

DO HUNG VIET

To:

- As mentioned above;
- BOD Office for record,