

**Ho Chi Minh City Securities Corporation**



**REGULATIONS ON OPERATIONS  
OF BOARD OF DIRECTORS**

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## LEGAL BASIS

- Law on Enterprises No. 59/2020/QH14 adopted by the National Assembly of Socialist Republic of Vietnam on 17 June 2020 and amended and supplemented on 11 January 2022;
- Law on Securities No. 54/2019/QH14 adopted by the National Assembly of Socialist Republic of Vietnam on 26 November 2019;
- Decree No. 155/2020/ND-CP promulgated by the Government on 31 December 2020 detailing the implementation of a number of articles of Law on Securities;
- Circular No. 121/2020/TT-BTC promulgated by the Ministry of Finance on 31 December 2020 regulating the operations of securities companies;
- Circular No. 116/2020/TT-BTC dated 31 December 2020 of the Minister of Ministry of Finance guiding a number of articles on corporate governance applicable to public companies under the Government’s Decree No. 155/2020/ND-CP dated 31 December 2020 detailing the implementation of a number of articles of Law on Securities;
- Charter of Ho Chi Minh City Securities Corporation (hereafter referred to as “Company”);
- The Resolution No. \_\_/2022/NQ–DHDCD of the General Assembly of Shareholders dated 08 August 2022 approving the Regulations on Operations of Board of Directors;
- The Board of Directors has issued the Regulations on Operations of Board of Directors (hereinafter referred as “this Regulation”), includes following contents:

## CHAPTER I

### GENERAL PROVISIONS

#### Article 1. Governing scope and subjects of application

1. This Regulation stipulates the personnel organizational structure, principles of operations, rights, obligations of the Board of Directors and members of the Board of Directors for the purpose of performance in accordance with the Law on Enterprises, the Company's Charter and other relevant laws. Matters that are not provided in this Regulation shall be subject to the Company's Charter and the Internal Regulations on Corporate Governance. Capitalized terms in this Regulation shall have the meaning set forth in the Company's Charter.
2. This Regulation shall be applicable to the Board of Directors and members of the Board of Directors.

#### Article 2. Operational principles of the Board of Directors

1. The Board of Directors shall work according to collective principle. Members of the Board of Directors shall be individually responsible for their own assigned tasks and jointly responsible before the General Assembly of Shareholders and the laws for the resolutions, decisions of the Board of Directors relating to the development of the Company.
2. The Board of Directors shall delegate the Chief Executive Officer to organize the operation and implementation of resolutions, decisions of the Board of Directors.

## CHAPTER II

### MEMBERS OF THE BOARD OF DIRECTORS

#### Article 3. Rights and obligations of members of the Board of Directors

1. Members of the Board of Directors shall have full rights as provided by the Law on Securities, relevant laws, the Company's Charter and the Internal Regulations on Corporate Governance, which include the right to be provided with information, documents about the financial situation, business operations of the Company and units of the Company.
2. Members of the Board of Directors shall have obligations as provided in the Company's Charter, the Internal Regulations on Corporate Governance and the following obligations:
  - a. To perform their duties in an honest, prudent manner for the best interests of shareholders and the Company;
  - b. To fully attend all meetings of the Board of Directors and provide opinions on

the issues raised for discussion;

- c. To report promptly, fully to the Board of Directors about the remunerations received from subsidiaries, affiliate companies and other organizations;
  - d. To report to the Board of Directors in the nearest meeting about the transactions between the Company, its subsidiaries, other companies of which the Company controls more than 50% of charter capital and members of the Board of Directors and related persons of such members; transactions between the Company and companies of which the member of the Board of Directors is a founding member or an enterprise manager during the last 3 years prior to the transaction date;
  - e. To conduct disclosure of information when trading shares in the Company in accordance with the laws.
3. Independent members of the Board of Directors shall make annual report on assessment of operations of the Board of Directors so that the Board of Directors can consolidate into its report to the General Assembly of Shareholders in accordance with clause 5 Article 32 of the Company Charter.

#### **Article 4. Right to be provided information of members of the Board of Directors**

1. Members of the Board of Directors may request the Chief Executive Officer, the Deputy Chief Executive Officer, other Managers of Company to provide information, documents about financial situation, business operations of the Company and units of Company.
2. The Managers being so requested shall promptly, sufficiently and accurately provide information, documents in accordance with the request of members of the Board of Directors. Order and procedures for requesting and providing information are provided by the Company's Charter.

#### **Article 5. Term of office and number of members of the Board of Directors**

1. The number of members of the Board of Directors shall be at least five (05) persons and at most eleven (11) persons, the specific number in each term shall be decided by the General Assembly of Shareholders.
2. The term of office of members of the Board of Directors shall not exceed five (05) years and may be re-elected for an unlimited number of terms. An individual may only be elected as an independent member of the Board of Directors of the Company for no more than 02 consecutive terms.
3. In case all members of the Board of Directors have their terms ended at the same time, those members shall continue to be members of the Board of Directors until new members are elected for replacement and take over the duties. The term of office of the members elected for supplement or replacement of the members who have lost his/her membership status, are removed, dismissed within the term shall be the remaining period of the Board of Directors' term of office.

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## Article 6. Standards and conditions for members of the Board of Directors

1. General standards and conditions for members of the Board of Directors:
  - a. Not falling within the categories of entities which are not permitted to manage enterprises in Vietnam in accordance with the Law on Enterprises;
  - b. Having qualifications, experiences in business management or in one of the sectors of securities, finance, banking, law and not required to be a Shareholder of the Company;
  - c. Not being the chief executive officer, director, member of the board of directors, members of members' council of other securities companies;
  - d. Not used to be a member of the board of directors or the legal representative of a company that was bankrupt or prohibited from operations due to material breaches of the laws.
2. Standards and conditions for independent members of the Board of Directors:
  - a. Not being a person currently working for the Company, the parent company or subsidiary of the Company; not being a person having worked for the Company, the parent company or subsidiary of the Company for at least 03 preceding years;
  - b. Not being a person who is being entitled to salary, remuneration from the Company, except for allowances to which members of the Board of Director are entitled pursuant to regulations;
  - c. Not being a person whose spouse, natural parent, adoptive parent, child, adopted child, sibling is a major shareholder of the Company; not being a Manager of the Company or subsidiary of the Company;
  - d. Not being a person directly or indirectly owning at least one per cent (1%) of the total voting shares in the Company;
  - e. Not being a person who used to be a member of the Board of Directors, the Board of Supervision of the Company for at least 05 preceding years, except for the case of being appointed for 02 consecutive terms of office.
3. An independent member of the Board of Directors must notify the Board of Directors of the fact that such member no longer satisfies in full the standards and conditions provided in clause 2 this Article, and shall automatically no longer be the independent member of the Board of Directors from the date of failure to satisfy in full the standards and conditions. The Board of Directors must inform about the case of the independent member of the Board of Directors no longer satisfying in full the standards and conditions at the nearest meeting of the General Assembly of Shareholders or must convene a meeting of the General Assembly of Shareholders to conduct additional election or replace the independent member of the Board of Directors within 06 months from the date of receipt of the notification from the relevant independent member of the Board of Directors.

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## Article 7. Chairman of Board of Directors

1. The Chairman of the Board of Directors shall be elected by the Board of among the members of the Board of Directors.
2. The Chairman of the Board of Directors shall not concurrently hold the position of Chief Executive Officer.
3. The Chairman of the Board of Directors shall have the following powers and duties:
  - a. To prepare the programs, plans of activities of the Board of Directors;
  - b. To prepare the agenda, contents, documents serving the meetings; convene and chair the meetings of the Board of Directors;
  - c. To organize the approval of decisions of the Board of Directors;
  - d. To supervise the process of organization of implementation of the Board of Directors' decisions;
  - e. To chair the meetings of the General Assembly of Shareholders, to sign for and on behalf of the General Assembly of Shareholders in the resolutions that have been passed by the General Assembly of Shareholders;
  - f. To lead and ensure the efficient operations of the Board of Directors;
  - g. To build up, implement and review the procedures governing the operations of the Board of Directors;
  - h. To schedule meetings of the Board of Directors and divisions under the Board of Directors;
  - i. To prepare agenda for meetings of the Board of Directors;
  - j. To regularly meet the Chief Executive Officer and play the role of coordinator between the Board of Directors and the Chief Executive Officer;
  - k. To ensure the exchange of full, timely, accurate and clear information between the members and the Chairman of the Board of Directors;
  - l. To ensure the efficient communication and contact with Shareholders, to handle requests of Shareholders for extracts, provision of documents, information and supervise the provision of documents, information to Shareholders;
  - m. To organize the periodical evaluation on performance of the Board of Directors; divisions under the Board of Directors and each member of the Board of Directors;
  - n. To create favorable conditions for the efficient performance of non-executive and independent members of the Board of Directors and to establish constructive relationship between the executive and non-executive members of the Board of Directors;



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- o. To exercise other duties and responsibilities as required by the General Assembly of Shareholders and the Board of Directors based on the actual demand and situation;
    - p. Other rights and duties as provided by the General Assembly of Shareholders in accordance with the Laws.
  - 4. In case the Chairman of the Board of Directors resigns or is removed, dismissed, the Board of Directors must elect a person in replacement within ten (10) days from the date of receiving the resignation letter or the date of removal, dismissal. The report and disclosure of information on the removal, dismissal and election of a replacement for the Chairman of the Board of Directors shall be implemented in accordance with clause 4 Article 26 of the Internal Regulations on Corporate Governance.
  - 5. In case the Chairman of the Board of Directors is absent or unable to perform his/her duties, the Vice Chairman of the Board of Directors (if any) shall automatically act on behalf of the Chairman of the Board of Directors to perform the powers and duties of the Chairman of the Board of Directors. If the Chairman of the Board of Directors and the Vice Chairman of the Board of Directors are concurrently absent, the Chairman of the Board of Directors must authorize in writing another member of the Board of Directors to perform his/her powers and duties.
  - 6. In case there is no Vice Chairman of the Board of Directors or there is no other member being authorized or the Chairman of the Board of Directors is death, missing, held in temporary detention, serving imprisonment penalty, serving administrative settlement measures at compulsory drug rehabilitation establishment, compulsory education establishment, evades from residential place, has capacity for civil acts limited or lost, has difficulty in perceiving and controlling acts, is prohibited by Court from holding certain positions, practising certain professions or performing certain jobs, then the remaining members shall elect one of them to hold the position of Chairman of the Board of Directors on the principle of agreement by majority of the remaining members until there is a new decision of the Board of Directors.

#### **Article 8. Vice Chairman of Board of Directors**

- 1. The Board of Directors may elect a member to be the Vice Chairman of the Board of Directors.
- 2. The Vice Chairman of the Board of Directors shall have the following powers and duties:
  - a. The Vice Chairman of the Board of Directors shall assist the Chairman of the Board of Directors in performing the powers and duties as may be delegated or authorized by the Chairman of the Board of Directors.
  - b. In case the Chairman of the Board of Directors is absent or unable to perform his/her duties, the Vice Chairman of the Board of Directors shall automatically act on behalf of the Chairman of the Board of Directors to perform the powers and duties of the Chairman of the Board of Directors.

3. In case the Vice Chairman of the Board of Directors resigns or is removed, dismissed, the Board of Directors must elect another person in replacement within ten (10) days from the date of receipt of the resignation letter or the date of removal, dismissal. The report and disclosure of information on the removal, dismissal and election of a replacement for the Vice Chairman of the Board of Directors shall be conducted similarly as that for the Chairman of the Board of Directors.

### **Article 9. Removal, dismissal, replacement and additional election of members of the Board of Directors**

1. Members of the Board of Directors shall be removed in the following cases:
  - a. He/she no longer satisfies the standards and conditions as provided in Article 6 of this Regulation;
  - b. He/she has not participated in any activity of the Board of Directors for a period of six (06) consecutive months, except in the event of force majeure;
  - c. He/she submits a resignation letter which is approved;
  - d. There is evidence that the member of the Board of Directors has lost his/her capacity for civil acts;
  - e. When deeming it necessary, the General Assembly of Shareholders may decide to remove members of the Board of Directors;
  - f. Other cases as provided by the Laws.
2. A member of the Board of Directors may be removed, replaced according to a resolution of the General Assembly of Shareholders.
3. The Board of Directors shall convene the meeting of the General Assembly of Shareholders to elect additional members of the Board of Directors in the following cases:
  - a. The number of members of the Board of Directors decreases by more than one third (1/3) of the number of members having been previously elected. In this case, the Board of Directors shall convene a meeting of the General Assembly of Shareholders within a period of sixty (60) days from the date the number of members of the Board of Directors decreases by more than one third (1/3);
  - b. The number of independent members of the Board of Directors falls below the minimum ratio as provided by the laws;
  - c. In other cases, at the nearest meeting, the General Assembly of Shareholders shall elect new member to replace the member of the Board of Directors who has been removed, dismissed.
4. Notice of changes, new appointment, re-appointment, election, removal, dismissal, receipt of resignation letter of a member of the Board of Directors must be reported to the State administrative authority, published within twenty four (24) hours from the

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date of notice of election, removal, dismissal, receipt of resignation letter of the member of the Board of Directors.

### **Article 10. Method of election, removal, dismissal of members of the Board of Directors**

1. The number of candidates for member of the Board of Directors that each group may nominate shall depend on the number of candidates decided by the General Assembly of Shareholders and the share ownership ratio of each group, specifically as follows:
  - a. A Shareholder or a group of Shareholders owning 10% to less than 20% of the total number of voting shares may nominate up to one (01) candidate to the Board of Directors;
  - b. A Shareholder or group of Shareholders owning 20% to less than 30% of the total number of voting shares may nominate up to two (02) candidates for the Board of Directors;
  - c. A Shareholder or group of Shareholders owning 30% to less than 40% of the total number of voting shares may nominate up to three (03) candidates for the Board of Directors;
  - d. A Shareholder or group of Shareholders owning 40% to less than 50% of the total number of voting shares may nominate up to four (04) candidates for the Board of Directors;
  - e. A Shareholder or group of Shareholders owning 50% to less than 60% of the total number of voting shares may nominate up to five (05) candidates for the Board of Directors;
  - f. A Shareholder or group of Shareholders owning 60% to less than 70% of the total number of voting shares may nominate up to six (06) candidates for the Board of Directors;
  - g. A Shareholder or group of Shareholders owning 70% to less than 80% of the total number of voting shares may nominate up to seven (07) candidates for the Board of Directors;
  - h. A Shareholder or group of Shareholders owning 80% to less than 90% of the total number of voting shares may nominate up to eight (08) candidates for the Board of Directors;
  - i. A Shareholder or group of Shareholders owning 90% or more of the total number of voting shares may nominate the full number of candidates for the Board of Directors.
2. In case the number of candidates for the Board of Directors through nomination, candidacy remain less than the required number, the incumbent the Board of Directors shall nominate additional candidates. Mechanism of the nomination or method in which incumbent the Board of Directors shall nominate candidates must be clearly

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announced and approved by the General Assembly of Shareholders before proceeding with the nomination.

3. Ballots for election of members of the Board of Directors must be made available by the Organization Team in printed form enclosed with the list of candidates arranged in Vietnamese alphabetical order and affixed with seal of the Company.
4. Voting to elect members of the Board of Directors must be done by cumulative voting, whereby each shareholder shall have the total number of votes corresponding to the total number of shares owned multiplied by the number of members of the Board of Directors to be elected and such Shareholder may cumulate all or a part of its total votes in favour of one (01) or more candidates. However, Shareholders or persons authorized to attend the meeting may only elect the maximum number of candidates for the Board of Directors as required by the Company among the total number of candidates for the Board of Directors.
5. The persons who are successfully elected as members of the Board of Directors shall be determined by the number of votes from the highest to the lowest, starting from the candidate receiving the highest number of votes until the full number of members as required have been reached.
6. In case two (02) or more candidates receive the same number of votes for the last member of the Board of Directors, the General Assembly of Shareholders shall conduct a re-election among such candidates receiving the same number of votes or a selection in accordance with the criteria under the election regulations approved by the General Assembly of Shareholders.
7. The election, removal, dismissal of members of the Board of Directors shall be decided by the General Assembly of Shareholders on the principle of voting.

#### **Article 11. Notification of election, removal, dismissal of members of the Board of Directors**

1. In case the candidates for the Board of Directors have been identified, the Company must disclose information related to the candidates at least 10 days before the opening date of the meeting of the General Assembly of Shareholders on the website of the Company so that Shareholders may learn about these candidates before voting. Candidates for the Board of Directors must have a written commitment regarding the truthfulness, accuracy of the personal information disclosed and must commit to perform their duties in an honest, prudent manner and for the best interests of the Company if being elected as member of the Board of Directors. Information related to candidates for the Board of Directors to be published shall include:
  - a. Full name, date of birth;
  - b. Qualifications;
  - c. Work experience;
  - d. Other management titles (including the titles in the Board of Directors of other

- Companies);
- e. Interests related to the Company and related parties of the Company.
2. The Company shall be responsible for disclosing information about the companies in which the candidates are holding position of member of the Board of Directors, other management positions and interests related to the Company of the candidates for the Board of Directors (if any).
  3. Notification of the results of election, removal, dismissal of members of the Board of Directors shall be conducted pursuant to regulations on disclosing information.

## **CHAPTER III**

### **BOARD OF DIRECTORS**

#### **Article 12. Rights and obligations of the Board of Directors**

1. The Board of Directors shall be the management body of the Company, have full power on behalf of the Company to decide and exercise the rights and obligations of the Company, except for the rights and obligations of the General Assembly of Shareholders.
2. The Board of Directors shall have the following rights and obligations:
  - a. To decide on the strategy, medium-term development plan and annual business plan of the Company;
  - b. To propose the type of shares and the total number of shares authorized to be offered for sale of each type;
  - c. To decide on the selling of unsold shares within the number of shares authorized to be offered for sale of each type; decide on mobilizing additional capital in other form;
  - d. To decide on the selling price of shares and bonds of the Company;
  - e. To decide on the redemption of no more than 10% of the total number of sold shares of each type within 12 months and decide on the redemption price in accordance with Article 14 of the Company's Charter;
  - f. To decide on the investment plans and investment projects within the competence and limits as provided by the Law on Enterprises, the Law on Securities and the Charter;
  - g. To decide on the market development, marketing and technology solutions;
  - h. To elect, remove, dismiss the Chairman of the Board of Directors; appoint, remove, dismiss, sign contracts, terminate contracts with the Chief Executive Officer, Deputy Chief Executive Officers and important executives of the

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Company as provided in this Regulation; decide on the salary and other benefits of such executives; appoint authorized representatives to participate in the members' council or the general assembly of shareholders of other companies, decide on the remuneration and other benefits of such persons;

- i. To supervise, direct the Chief Executive Officer and other Managers of the Company in running the daily business of the Company;
- j. To decide on the organizational structure, internal management regulations of the Company, decide on the establishment of Subsidiaries, branches, transaction offices, representative offices and the activities of merger, acquisition with other enterprises, which are not the proprietary investment activities and daily activities of the Company;
- k. To approve the program, contents of documents serving the meeting of the General Assembly of Shareholders, convene the meetings of the General Assembly of Shareholders or collect opinions for the General Assembly of Shareholders to approve resolutions;
- l. To submit the audited annual financial statements to the General Assembly of Shareholders;
- m. To propose the rate of dividend to be paid, decide on the time limit and procedures for paying dividends or deal with losses incurred in the course of business;
- n. To propose the re-organization, dissolution of the Company; request bankruptcy of the Company;
- o. To decide on the issuance of the Regulations on Operations of the Board of Directors, the Internal Regulations on Corporate Governance after they are approved by the General Assembly of Shareholders; decide on the issuance of regulations on operations of the Audit Committee, the Risk Management Committee, the Salary, Bonus Committee under the Board of Directors, decide on the issuance of regulations on information disclosure of the Company and other internal regulations of the Company;
- p. To take responsibilities before Shareholders for the Company's operations;
- q. To treat all Shareholders equally and respect the interests of the persons having interests related to the Company;
- r. To ensure that the Company's operations comply with the Laws, the Charter and the Company's internal regulations;
- s. To supervise and prevent conflicts of interest of members of the Board of Directors, members of the Board of Supervision, the Chief Executive Officer and other Managers, including the misuse of the Company's assets and abuse of transactions with related party;
- t. To appoint the Person in charge of the Company's governance;



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- u. To organize training courses on corporate governance and necessary skills for members of the Board of Directors, the Chief Executive Officer and other Managers of the Company;
  - v. To establish departments or appoint persons to perform risk management and internal control tasks to meet the requirements of the Laws;
  - w. To settle the complaints by the Company against the enterprise executives as well as decide on the selection of the Company's representative to deal with issues related to legal proceedings against such executive;
  - x. To veto over the decision of the Chief Executive Officer in conducting any standard activity, provided that such veto is grounded;
  - y. The procurement of management liability insurance, which is not intended to bring material benefits or income to the Managers and Supervisors;
  - z. To decide on other issues pursuant to the Laws and as authorized by the General Assembly of Shareholders.
3. The Board of Directors shall approve resolutions, decisions by way of voting at meetings or collecting written opinions or other methods as provided in the Company's Charter and the Internal Regulations on Corporate Governance. Each member of the Boards of Directors shall have one vote.
  4. If a resolution, decision passed by the Board of Directors is contrary to the laws, the resolutions of the General Assembly of Shareholders, the Company's Charter, thereby causing damage to the Company, the members who agreed to pass such resolution, decision shall be personally jointly liable for such resolution, decision and compensate the Company for damage; the members who opposed the passing of such resolution, decision shall be exempted from liability. In such case, Shareholders of the Company may request the Court to terminate the implementation of or cancel such resolution, decision.

### **Article 13. Obligations and powers of the Board of Directors in approving, signing contracts, transactions**

1. The Board of Directors shall approve the contracts, transactions with a value of less than 35% of the total value of assets recorded in the latest financial statements of the Company with the following related persons:
  - a. Shareholders, authorized representatives of Shareholders being organization owning more than 10% of the total ordinary shares in the Company and their Related Persons;
  - b. Members of the Board of Directors, members of the Board of Supervision, the Chief Executive Officer, other Managers and their Related Persons;
  - c. Enterprises which members of the Board of Directors, members of the Board of Supervision, the Chief Executive Officer and other Managers of the Company

must declare pursuant to the Law on Enterprises.

2. The Board of Directors shall approve contracts on purchase, selling, borrowing, lending and other contracts, transactions with a value of 35% or more of the total value of assets recorded in the latest financial statements of the Company, except for contracts, transactions falling under the decision-making power of the General Assembly of Shareholders pursuant to the Company's Charter or unless otherwise provided by the Law on Enterprises.
3. The representative of the Company who signs the contract, transaction must notify the members of the Board of Directors, the members of the Board of Supervision about the related entities in respect of such contract, transaction and enclose the draft contract or the main contents of transaction. The Board of Directors shall decide on the approval of contract, transaction within 7 days from the date of receipt of the notice; members of the Board of Directors who have interests related to the parties to the contract, transaction provided in clause 1 this Article shall not have the right to vote.

#### **Article 14. Responsibilities of the Board of Directors in convening extraordinary meeting of the General Assembly of Shareholders**

1. The Board of Directors must convene an extraordinary meeting of the General Assembly of Shareholders in the following cases:
  - a. The Board of Directors considers it necessary for the benefit of the Company.
  - b. The number of remaining members of the Board of Directors, the Board of Supervision are less than the minimum number of members provided by the Laws.
  - c. At request of a Shareholder or group of Shareholder owning 05% or more of the total number of ordinary shares in case the Board of Directors seriously violates the rights of Shareholders, the obligations of managers or makes decisions beyond its delegated power.
  - d. At the request of the Board of Supervision.
  - e. Other cases provided by the Laws and the Company's Charter.
2. A Shareholder or group of Shareholders owning 05% or more of the total number of ordinary shares, which has the right to request convening the meeting of the General Assembly of Shareholders in accordance with point c clause 1 this Article, must send the request in writing clearly stating the following contents:
  - a. Full name, contact address, nationality, number of legal document of individual in respect of Shareholders being individual; name, enterprise code or number of legal documents of organization, head office address in respect of Shareholders being organization;
  - b. The number of shares and the time of registration of shares of each Shareholder, the total number of shares of the whole group of Shareholders and the ratio of



ownership in the total number of shares of the Company;

- c. The grounds and reasons for requesting to convene the meeting of the General Assembly of Shareholders;
- d. Enclosed with the request to convene meeting, there must be documents and evidences about violations of the Board of Directors, the seriousness of violations or decisions beyond the competence..

The request to convene meeting of the General Assembly of Shareholders and enclosed documents, evidences must be sent to the Chairman of the Board of Directors at the head office address of the Company. Within seven (07) working days from the date of receipt of the request, the Board of Directors must reply in writing to the Shareholder or group of Shareholders on whether the meeting of the General Assembly of Shareholders will be convened or not.

3. The Board of Directors must convene a meeting of the General Assembly of Shareholders within 30 days from the date on which the remaining number of members of the Board of Directors or members of the Board of Supervision are as provided in point b clause 1 this Article or upon receipt of a request provided in points c and point d clause 1 this Article. In case the Board of Directors fails to convene a meeting of the General Assembly of Shareholders as provided, the Chairman of the Board of Directors and members of the Board of Directors must compensate for any damage incurred to the Company.
4. The convenor of the meeting of the General Assembly of Shareholders must perform the following tasks:
  - a. Preparing the list of Shareholders eligible to attend and vote at the meeting of the General Assembly of Shareholders. The list of Shareholders entitled to attending the meeting of the General Assembly of Shareholders shall be made no earlier than ten (10) days before the date of sending the notice of invitation to the meeting of the General Assembly of Shareholders. The Board of Directors shall disclose information about the making of the list of Shareholders entitled to attending the meeting of the General Assembly of Shareholders at least 20 days before the last registration date. This notice shall be disclosed to the relevant authorities and posted on the website of the Company.
  - b. Providing information and settling complaints related to the list of Shareholders.
  - c. Preparing the agenda and contents of the meeting.
  - d. Preparing documents relevant to the contents of the meeting.
  - e. Preparing draft resolutions of the General Assembly of Shareholders according to the proposed contents of the meeting, list and detailed information of candidates in case of election of members of the Board of Directors, members of the Board of Supervision.
  - f. Determining the time and venue of the meeting.

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- g. Sending notice of invitation to the meeting to all Shareholders entitled to attending the meeting.
  - h. Other tasks which serve the meeting.

### **Article 15. Committees of the Board of Directors**

1. The Board of Directors may establish committees to take charge of development policies, personnel, compensation and benefits, internal audit, risk management pursuant to the Internal Regulations on Corporate Governance.
2. The number of members of each committee shall be decided by the Board of Directors from time to time. One of these members shall be appointed as the Head of the committee under a decision of the Board of Directors. Members of a committee may also be members of the Board of Directors and non-members. Each committee shall have at least one independent member of the Board of Director/non-executive member of the Board of Director.
3. The committees shall operate in compliance with their own regulations on operations issued by the Board of Directors, this Regulation, the Internal Regulations on Corporate Governance, the Company's Charter and relevant Laws.

## **CHAPTER IV**

### **MEETING OF BOARD OF DIRECTORS**

#### **Article 16. Meetings of the Board of Directors**

1. The Chairman of the Board of Directors shall be elected at the first meeting of the Board of Directors within seven (07) working days from the closing of the election of such the Board of Directors. This meeting shall be convened and chaired by the member receiving the highest number of votes or the highest ratio of votes. In case more than one member receive the highest and equal number of votes or ratio of votes, the members shall conduct election on the principle of majority to select one of them to convene the meeting of the Board of Directors.
2. The Board of Directors shall meet at least once a quarter and may hold extraordinary meetings.
3. The Chairman of the Board of Directors shall convene a meeting of the Board of Directors, without delay except for the case of an acceptable reason, when one of the following entities makes a written request explaining the purpose of the meeting and issues to be discussed:
  - a. At the request of the Board of Supervision or independent member of the Board of Directors;
  - b. At the request of the Chief Executive Officer or at least five (05) other Managers;

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c. At the request of at least two (02) members of the Board of Directors;

The request shall be made in writing, clearly stating the purposes, issues to be discussed and decided within the competence of the Board of Directors.

4. The Chairman of the Board of Directors must convene the meeting of the Board of Directors within seven (07) working days from the date of receipt of the request provided in clause 3 this Article. In case the Chairman fails to convene the meeting of the Board of Directors at the request, the Chairman shall be liable for any damage caused to the Company; the requester may in replacement of the Chairman of the Board of Directors convene the meeting of the Board of Directors.
5. The Chairman of the Board of Directors or the convenor of the meeting of the Board of Directors shall send the notice of invitation to the meeting at least three (03) working days before the meeting date. The meeting invitation notice shall specify the time and venue of the meeting, the agenda, the issues for discussion and decision. The meeting invitation notice must be enclosed with the documents used at the meeting and the voting slips of the members.
6. Notice of invitation to the meeting of the Board of Directors may be sent in the form of invitation letter, via phone, fax, email or other means of communication guaranteed to reach the contact address of each member of the Board of Directors registered with the Company.
7. The Chairman of the Board of Directors or the convenor shall send the meeting invitation notice and enclosed documents to the members of the Board of Supervision, the Chief Executive Officer in the same manner as that for the members of the Board of Directors. The Supervisors, the Chief Executive Officer may attend meetings of the Board of Directors; may discuss but shall not vote.
8. In case there is a request of the independent auditor, the Chairman of the Board of Directors must convene a meeting of the Board of Directors to discuss the audit report and the situation of the Company.
9. A meeting of the Board of Directors shall be conducted when three quarters (3/4) or more of the total number of members attend the meeting. In case the quorum of a meeting convened pursuant to this clause is not met, such meeting may be convened for the second time within seven (07) days from the intended date of the first meeting. In this case, the meeting shall be conducted if more than half (1/2) of the members of the Board of Directors attend the meeting.
10. Meeting of the Board of Directors may be conducted in form of physical meeting, online conference, teleconference, other form of conference or a combination of all such forms provided that if there are members being present in difference places, then each attending member can:
  - a. Hear each other member of the Board of Directors expressing opinions at the same time during the meeting;
  - b. Speak to all other attending members simultaneously.

Members of the Board of Directors so attending the meeting shall be considered as “present” in such meeting. The venue of the meeting conducted according to this provision shall be the location where the majority of members of the Board of Directors gathers together or, if such group is not available, the location where the Chairman of the meeting is present.

11. A member of the Board of Directors shall be considered as attending and voting at the meeting in the following cases:
  - a. Attending and voting directly at the meeting;
  - b. Authorizing another person to attend the meeting and vote in accordance with Article 31 of the Internal Regulations of Corporate Governance;
  - c. Attending and voting via online conference, electronic voting or other electronic means;
  - d. Sending voting slip to the meeting via mail, fax, email or other means of communication;
  - e. Sending voting slip via other means pursuant to the previous decision of the Board of Directors.

In case of sending the voting slip to the meeting via mail, the voting slip must be put in a closely sealed envelope and delivered to the Chairman of the Board of Directors at least 01 hour before the opening. Voting slips may only be opened in the presence of all attendees.

12. Members shall fully attend all meetings of the Board of Directors. A member may authorize another person to attend the meeting and vote in accordance with Article 31 of the Internal Regulations of Corporate Governance.
13. Resolutions, decisions of the Board of Directors shall be approved if agreed by a majority of the attending members; In case of tie votes, the final decision shall belong to the side possessing the opinion of the Chairman of the Board of Directors.

#### **Article 17. Minutes of meetings of the Board of Directors**

1. All meetings of the Board of Directors must be minuted and may be audio recorded, recorded and stored in other electronic forms. Minutes must be made in Vietnamese and may also be in a foreign language, and must include the following main contents:
  - a. Name, head office address, enterprise code of the Company;
  - b. Purpose, agenda and contents of meeting;
  - c. Time and venue of the meeting;
  - d. Full name of each attending member or person authorized to attending the meeting and method of attendance; full name of the absent members and reason;
  - e. Issued being discussed and voted at the meeting;

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- f. Summary of opinions expressed by each attending member according to the progress of the meeting;
  - g. Voting result which shall clearly state the members who cast votes of agreement, disagreement and abstention;
  - h. Issues having been approved and the respective ratio of votes of approval;
  - i. Full name and signature of the chairman and the minutes recorder. In case the chairman, the minutes recorder refuses to sign the meeting minutes, such minutes shall take effect if it is signed by all other members of the Board of Directors attending the meeting and agreeing approval, and contains all contents provided in points a to h of this clause. The meeting minutes shall clearly state the fact that the chairman, the minutes recorder refuses to sign the meeting minutes. The persons who sign in the meeting minutes shall be jointly responsible for the accuracy and honesty of the contents of the minutes of the meeting of the Board of Directors. The chairman, the minutes recorder shall be personally liable for damage caused to the Company due to the refusal to sign the meeting minutes pursuant to the Laws.
2. The chairman, the minutes recorder and persons signing in the minutes shall be responsible for honesty and accuracy of contents of the minutes of meeting of the Board of Directors.
  3. The Chairman of the Board of Directors shall have the responsibility to send meeting minutes of the Board of Directors to members and such minutes shall be authentic evidence of the works carried out in the meeting. Meeting minutes may be made in multiple copies and each copy shall have the signature of at least one (01) attending member of the Board of Directors.
  4. Meeting minutes of the Board of Directors and documents used in the meeting must be kept at the head office of the Company.
  5. Minutes made in Vietnamese and foreign language shall have the same validity. In case there is any discrepancy in contents between the minutes in Vietnamese and foreign languages, the contents in the Vietnamese minutes shall prevail.

#### **Article 18. Collection of written opinions to pass resolutions, decisions of the Board of Directors**

1. The Chairman of the Board of Directors shall decide on the collection of written opinions in order to pass resolutions, decisions of the Board of Directors. The opinion collection forms may be in form of paper document or electronic mail. This procedure shall be applicable to both regular and extraordinary meetings as provided in Article 16 of this Regulation.
2. The Chairman of the Board of Directors upon deciding on the collection of written opinions shall send opinion collection forms enclosed with a draft of the resolution, decision of the Board of Directors and other relevant documents to all members of the Board of Directors no later than seven (07) days prior to the end of the time limit for

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returning opinion collection forms. Deadline for returning opinions must be specified in the opinion collection forms.

3. The opinion collection form must contain the following main contents:
  - a. Name, head office address, enterprise code of the Company;
  - b. Issues on which opinion needs to be collected to approve the resolution, decision, reasons, purposes of collecting opinions;
  - c. Voting options, comprising agreement, disagreement and abstention for each issue;
  - d. Time limit within which the members of the Board of Directors must return their opinion.
4. In case of collecting opinions in form of paper document, the opinion collection forms must be answered with one of three voting options: agreement, disagreement or abstention, must be signed by the member of the Board of Directors and sent to the Chairman of the Board of Directors in closely sealed envelope.
5. In case of collecting written opinions via electronic mail, the opinion collection form of members of the Board of Directors shall be determined as follows:
  - a. The replying electronic mail shall specify decision on agreement, disagreement or abstention for each issue; or
  - b. The replying electronic mail shall attach a photograph of the completed opinion collection form, which shall select a voting option of agreement, disagreement or abstention and be signed by the member of the Board of Directors.
6. The opinion collection forms returned within the required time limit but failing to comply with clause 4 and clause 5 this Article shall be invalid. The opinion collection forms which are not returned or are returned to the Company after the closing of the collection of opinions (including the cases of collection of opinions in form of paper document and via electronic mail) shall be deemed as not participating in voting.
7. The collection of written opinions of the Board of Directors shall be conducted if three quarters (3/4) or more of the total members provide their opinion. In case the number of members providing their opinions are insufficient as required, the collection of written opinions may be conducted for the second time within seven (07) days from the end of the time limit for returning opinion. In this case, the collection of written opinions shall only require more than half (1/2) of the number of members of the Board of Directors to provide their opinion.
8. A resolution, decision of the Board of Directors shall be passed when it is agreed by the majority of the members providing their opinion; in case of tie votes, the final decision shall belong to the side possessing the opinion of the Chairman of the Board of Directors.
9. A resolution, decision passed by the Board of Directors shall take effect immediately



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upon being agreed by the majority of members providing their opinion and shall have the same validity as that of a resolution, decision passed in a meeting of the Board of Directors. The Chairman of the Board of Directors shall be responsible for signing the resolutions, decisions on behalf of the Board of Directors.

10. The summary of result of the collection of written opinions to pass a resolution, decision of the Board of Directors must be minuted and the minutes must be signed by the Chairman of the Board of Directors and the secretary. The minutes on summary of result, the opinion collection forms and the opinions of members of the Board of Directors must be retained pursuant to general regulations.

## **CHAPTER V**

### **REPORT, DISCLOSURE OF OF INTERESTS**

#### **Article 19. Submission of annual reports**

1. After the end of fiscal year, the Board of Directors must submit to the General Assembly of Shareholders the following reports:
  - a. Report on business result of the Company;
  - b. Financial statements;
  - c. Report on the evaluation on the management, operation of the Company;
  - d. Appraisal report of the Board of Supervision.
2. The reports provided in points a, b and c clause 1 this Article must be sent to the Board of Supervision for appraisal no later than 30 days before the opening date of the annual meeting of the General Assembly of Shareholders.
3. The reports provided in clauses 1, 2 this Article, the appraisal report of the Board of Supervision and the audit report must be kept at the head office of the Company no later than 10 days before the opening date of the annual meeting of the General Assembly of Shareholders. Shareholders owning shares in the Company continuously for at least 01 year may by themselves or together with a lawyer, accountant or auditor having a practising certificate, directly review the reports provided in this Article.

#### **Article 20. Remuneration, bonus and other benefits of members of the Board of Directors**

1. The Company may pay remuneration, bonus to members of the Board of Directors according to business results and efficiency.
2. Members of the Board of Directors shall be entitled to work remuneration and bonus. The work remuneration shall be calculated on the basis of the number of working days necessary for completing tasks of members of the Board of Directors and the rate of remuneration per day. The Board of Directors shall estimate the amount of

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remuneration for each member on the principle of consensus. The total amount of remuneration and bonus for the Board of Directors shall be decided by the General Assembly of Shareholders at the annual meeting.

3. The remuneration of each member of the Board of Directors shall be included in the Company's business costs pursuant to the Laws on corporate income tax, shown in a separate section in the Company's annual financial statements and must be reported to the General Assembly of Shareholders at the annual meeting.
4. Members of the Board of Directors working in committees of the Board of Directors or performing other works outside the scope of normal duties of a member of the Board of Directors may be paid additional remuneration in the form of a lump-sum allowance on a case by case basis, salary, commission, profit percentage or other form as decided by the Board of Directors.
5. Members of the Board of Directors shall be entitled to reimbursement of all travel, accommodation, meals and other reasonable expenses which they have had to pay when performing their duties as a member of the Board of Directors, including expenses incurred in attending meetings of the General Assembly of Shareholders, the Board of Directors or the Committees of the Board of Directors.

#### **Article 21. Disclosure of related interests**

1. Members of the Board of Directors of the Company must declare to the Company about their related interests, including :
  - a. Full name, enterprise code, head office address, business lines of enterprises in which they own contribution capital or shares; ratio and date of ownership of such contribution capital or shares;
  - b. Full name, enterprise code, head office address, business lines of enterprises in which their related persons jointly or separately own contribution capital or shares representing more than 10% charter capital.
2. The declaration provided in clause 1 this Article must be made within 07 working days from the date on which relevant interests arise; any amendments, supplements must be notified to the Company within 07 working days from the date of the relevant amendments, supplements.
3. Members of the Board of Directors conducting, in their own name or in the name of another person, any work in any form within the scope of the Company's business must explain the nature and contents of such work before the Board of Directors and shall only be permitted to conduct such work when approved by a majority of the remaining members of the Board of Directors; if conducting such work without declaration or without the approval of the Board of Directors, all incomes from such activities shall belong to the Company.



## CHAPTER VI

### RELATIONSHIP OF THE BOARD OF DIRECTORS

#### **Article 22. Relationship between members of the Board of Directors**

The relationship between the members of the Board of Directors shall be the relationship of cooperation, the members of the Board of Directors shall be responsible for informing each other about relevant issues in the process of handling their assigned works.

#### **Article 23. Relationship with the Chief Executive Officer and Executive Board**

The Board of Directors, with its role of management, shall issue resolutions for the Chief Executive Officer and the management apparatus to implement. At the same time, the Board of Directors shall inspect, supervise the implementation of resolutions.

#### **Article 24. Relationship with the Board of Supervision**

The relationship between the Board of Directors and the Board of Supervision shall be a relationship of coordination. The working relationship between the Board of Directors and the Board of Supervision shall follow the principles of equality and independence, and concurrently they shall closely coordinate with and support each other when performing their duties.

## CHAPTER VII

### IMPLEMENTATION PROVISION

#### **Article 25. Implementation effectiveness**

The Regulations on Operations of the Board of Directors of Ho Chi Minh City Securities Corporation consist of 7 Chapters, 25 Articles and take effect from 08 August 2022.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN**

**JOHAN NYVENE**