



No.: 08/2017/TT- HDQT

Ho Chi Minh City, 03 April, 2017

THE 2016 ANNUAL GENERAL MEETING PROPOSAL

Subject: To allow HSC to issue covered warrant products

Pursuant to:

- *The Law on Enterprises No.68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on 26 November 2014 and the documents guiding the implementation of Law on Enterprise;*
- *The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on 24 November 2010 and some documents guiding the implementation of Securities Law;*
- *The tenth amendment of HSC Charter according to the AGM Resolution No.01/2016/NQ-ĐHĐCĐ dated 02 March 2017;*

Ladies and gentlemen,

For the last two years, the development of the covered warrant project as initiated by the Ho Chi Minh Stock Exchange has obtained approval from SSC and received much support from VSD, HSC and other securities companies in the market.

Until now, related law and legislations for covered warrant product has been issued, which include:

- Circular 107/2016/TT-BTC issued by SSC in Jun 2016;
- Draft of Regulation of guidelines for several issues of Circular 107/2016/TT-BTC by SSC, expected to be issued in the 3rd quarter of 2017;
- Draft of Regulation of guidelines by HOSE, including listing, trading, public announcement, and market-making activities for covered warrants, expected to be issued in the 3rd quarter of 2017;
- Draft of Regulation of guidelines by VSD, including registration, depository, payment and settlement procedures of covered warrants, expected to be issued in the 3rd quarter of 2017;

Proposition

In order to allow the Company to participate in this new business in 2017, the BOD proposes the 2016AGM to approve the following issues:

1. To allow HSC to issue covered warrant products that meet related law and regulations.
Hereafter, "Covered Warrants" shall mean all covered warrants issued by HSC.
2. To amend the Charter to supplement the following contents:
 - a. HSC is allowed to participate in the covered warrant business, which include:
 - i. Issuance, distribution and listing of Covered Warrants;
 - ii. Market making of Covered Warrants;
 - iii. Hedging for Covered Warrants;

- iv. Brokerage and investment consulting for Covered Warrants.
 - b. The rights of Covered Warrants holders include:
 - i. Right to receive payments in cash or physical delivery of underlying assets as stipulated in the settlement terms in the prospectus of each issuance, and complied with related regulations;
 - ii. Right to receive payments in cash in the case Covered Warrants are delisted as stipulated in related regulations;
 - iii. Right to transfer, donate, bequest, pledge for loan in civil relationships in accordance with the law;
 - iv. Right to receive priority in payment when HSC is dissolved or involved in bankruptcy process as stipulated by law;
 - v. And other rights as prescribed by law.
- 3. To approve the total limit of all issuances of Covered Warrants by HSC of up to 20% of HSC's liquid capital, calculated based on the most recent financial statement at the time of issuance. At the same time, such issuance limit must also comply with the regulation of SSC on liquid capital requirements at the time of issuance.
- 4. To approve for a payment guarantee method for settlement obligation and other obligations of HSC to holders of Covered Warrants, in the case HSC is subject to insolvency, merger, acquisition, dissolution, and bankruptcy. In particular:
 - a. In the case HSC is subject to insolvency: to use the following resources for any settlement obligation of HSC to the holders of Covered Warrants:
 - i. Assets held for hedging purposes for Covered Warrants in proprietary account;
 - ii. Collateral assets deposit at the depository bank by HSC for the issuances of Covered Warrants;
 - iii. Payment guarantees for Covered Warrants (if available).
In case these resources are not enough, the settlement for the remaining interests of Covered Warrants holders shall follow the provision of related laws as applied to partially secured creditors;
 - b. In the case HSC is subject to dissolution and bankruptcy: to apply the provision of law for the case of dissolution, bankruptcy for the payment obligations to partially secured creditors;
 - c. In the case HSC is subject to merger and acquisition: to apply the provision in the Law of Enterprise for the payment obligations to holders of Covered Warrants.
- 5. To authorize the BOD to decide on the timing of execution and complete all necessary prodedures to carry the aforementioned operations, including the amendment of the Charter as required by the relevant regulations.
- 6. To authorize the BOD to decide on the detail of each issuance of Covered Warrants, including chosing underlying asset, deciding issuance size for each round of issuance, and other related details.

The BOD would like to submit to the AGM for your respective approval.

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

(signed and seal)

ĐỖ HÙNG VIỆT

To:

- *As mentioned above;*
- *BOD Office for record,*