

No.: 11/2023/TTr - HDQT

Ha Noi, March 30, 2023

SUBMISSION

On the use of the Charter capital supplementary reserve fund and Operational risk and financial reserve fund

To: The Annual General Meeting of Shareholders of Bao Viet Securities Joint Stock Company

- Pursuant to Law on Enterprises No. 59/2020/QH14 dated June 17, 2020;
- Pursuant to Circular No. 146/2014/TT-BTC dated October 06, 2014, guiding on the financial regulations for securities companies, asset management companies (“Circular No. 146/2014/TT-BTC”);
- Pursuant to Circular No. 114/2021TT-BTC dated 17/12/2021 on the annulment of Circular No. 146/2014/TT-BTC (“Circular No. 114/2021TT-BTC”);
- Pursuant to the 13th amendment of Bao Viet Securities Joint Stock Company’s Charter;
- Pursuant to Bao Viet Securities Joint Stock Company’s Internal Regulations on corporate governance;

In compliance with the guidelines of Circular No. 146/2014/TT-BTC, the Company annually sets aside: (i) 05% of realized profit after tax (“**realized PAT**”) into the Charter capital supplementary reserve fund for supplementing charter capital as determined by the General Meeting of Shareholders; and 05% of realized PAT into the Operational risk and financial reserve fund to compensate for the loss and damage to property that occurred in the course of the Company’s operations. The balance of each reserve as of December 31, 2022, according to the 2022 Audited Financial Statements, is VND59,379,106,210.

On December 17, 2021, the Prime Minister of the Ministry of Finance issued Circular No. 114/2021/TT-BTC on the annulment of Circular No. 146/2014/TT-BTC, taking effect since February 01, 2022. Clauses 2 and 3, Article 2 of Circular No. 114/2021/TT-BTC stipulating:

“2. Balance of Charter capital supplementary reserve fund that is set up according to regulations of Circular No. 146/2014/TT-BTC, the securities company, asset management company or branches of the foreign asset management company which have been licensed to establish and operate in Vietnam shall add charter capital according to regulations of Law on Securities No. 54/2019/QH14, guiding documents and the enterprise’s charter for organization and operation.”

“3. Balance of operational risk and financial reserve fund that is set up according to regulations of Circular No. 146/2014/TT-BTC, the securities company, asset management company or branches of the foreign asset management company which have been licensed to establish and operate in Vietnam shall add or use charter capital according to Decisions of General Meeting of



Shareholders, Board of members and Chairperson of the company in accordance with regulations of Law on Securities No. 54/2019/QH14, guiding documents and the enterprise's charter for organization and operation in order to ensure financial safety criteria specified in Law on Securities.”

To guarantee that these 02 Funds are used for the right purposes as their establishment, the Board of Directors would like to submit to the General Meeting of Shareholders for approval the use of these Funds as follows:

1. The charter capital supplementary reserve fund is used to supplement the company's charter capital. Assign the Board of Directors the responsibility of considering and executing the capital increase in light of the current situation and the provisions of the Law in order to protect the rights and interests of shareholders and the Company.

2. The operational risk and financial reserve fund is used to compensate for the loss and damage to property that occurred in the course of the Company's operations. Authorize the Company's Board of Directors to actively decide how to spend this fund while adhering to the regulations of the law, the Charter, and the Company's rules.

Sincerely submit to the General Meeting of Shareholders for consideration and approval.

Best regards./.

To:

- As above;
- BOD, SB;
- Archive: Secretariat.

ON BEHALF OF THE BOARD OF
DIRECTORS

CHAIRMAN



Nguyen Hong Tuan
Nguyen Hong Tuan

