

No.: 10/2023/TTr-BVSC

Ha Noi, March 30, 2023

**SUBMISSION**

*To approve the Selection of an Independent Auditing Firm to audit Financial Statements  
in 2024, 2025, 2026 of Bao Viet Securities Joint Stock Company*

**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 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,*

To audit and review the financial statements (“*FS*”) of Bao Viet Securities Joint Stock Company (“*BVSC*”) in accordance with the provisions of the Law and BVSC's Charter, the Supervisory Board (“*SB*”) of Bao Viet Securities Joint Stock Company would like to submit to the Annual General Meeting of Shareholders (“*AGM*”) the selection of an Independent Auditing Firm to audit and review the financial statements of the financial year 2024, 2025, 2026 of BVSC as follows:

**1. Basis and benefits of a long-term audit contract**

Implementing the 2020 AGM Resolution of BVSC, the Supervisory Board summarized and agreed on the contents, scope, and progress of the audit and review of the financial statements in the three fiscal years 2021, 2022, and 2023 of BVSC under legal regulations; Together with Baoviet Holdings, which selected and proposed to the Board of Directors to issue a decision to approve, assign the CEO to sign a contract to provide audit services of financial statements with the Independent Auditing Firm selected as Ernst & Young Vietnam Ltd. (“*Ernst & Young Vietnam*”).

The signing of a long-term audit contract is not against laws, accounting standards, or auditing standards in Vietnam. It is also in line with global trends and practices. The Supervisory Board concluded that the signing of a long-term audit contract at BVSC has resulted in the following fundamental advantages:

***First, the completion and publication of the audited/reviewed financial statements on time and with good quality are ensured:*** With a long-term audit contract, the audit firm is able to create a long-term plan to maintain a stable team of auditors with extensive expertise in the subject being audited and a thorough grasp of the structure and governance of the audited company. This enhances the working efficiency between the auditors and the staff of the audited unit, helping the audit firm to

finish the financial statement audit and review in a timely manner while adhering strictly to the Ministry of Finance's rules regarding the deadline for publishing audited and reviewed financial statements for listed companies.

*Second, the audit charge is consistent and at a fair level:* The signing of a long-term audit contract has assisted BVSC to maintain the audit fee stable; in previous years, the audit fee applied to BVSC has not changed amid the yearly rise in labor costs.

*Third, This adds value while saving time and money in selecting an audit firm annually:* A long-term audit contract not only improves efficiency by shortening the time required for financial statement preparation, audit, and review, but it also provides BVSC with free additional services offered by the Audit Firm, such as attending training sessions, seminars to update new legal documents on accounting and tax regimes and policies, participating in knowledge exchange, and receiving advice on financial solution implementation from experts, thereby significantly improving qualifications, expertise, ability to manage and run business activities. Furthermore, it greatly reduces the time, cost, and effort required by the Supervisory Board, Board of Directors, Executive Board, Finance - Accounting Department, and other relevant departments to select an audit firm each year.

## **2. Proposal on selection criteria for an Audit firm**

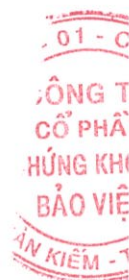
Based on the Company's registered business activities and audit demand, the Supervisory Board would like to propose to the General Meeting of Shareholders the following criteria for selecting an independent audit firm:

- Reputable audit firm licensed to operate in Vietnam, approved by the State Securities Commission to perform audits for companies with the public interest in the securities sector;
- The audit firm has a team of highly qualified auditors with extensive experience auditing financial statements in the securities sector following the guidelines of Vietnamese Accounting Standards (VAS);
- There is no conflict of interest when conducting financial statement audits for both BVSC and Baoviet Holdings (financial statement audits must be conducted independently of consulting on financial statement preparation and internal audit);
- The audit fee is appropriate and in line with the audit's content, scope, and progress as requested by BVSC;
- There is a suggestion to provide the fines value-added services for BVSC.

## **3. Proposal of the Supervisory Board**

With the above proposals, the Supervisory Board respectfully submits the 2023 AGM:

3.1. To approve the list of audit firms approved by the State Securities Commission to audit public interest entities in the securities sector on the List of audit firms selected to provide audit and review services for BVSC's financial statements for the fiscal years 2024, 2025, 2026.



3.2. To approve Baoviet Securities Joint Stock Company to sign a long-term audit contract with an independent audit firm to provide audit and review services for BVSC's financial statements in the fiscal years 2024, 2025, 2026.

3.3. To approve the selection criteria of an Independent audit firm stated in Section 2 of this Submission, on which, the Supervisory Board selects and proposes an Independent audit firm to provide Financial Statements audit and review services for BVSC in the fiscal years 2024, 2025, 2026.

3.4. To assign the SB to coordinate with the CEO of the company to carry out the procedures for choosing an audit firm to provide audit and review services for BVSC's financial accounts in the fiscal years 2024, 2025, and 2026 to propose to the Board of Directors for decision.

3.5. To approve the authorization for the Board of Directors to decide the Independent audit firm; and assign the CEO of BVSC to sign a contract to provide audit services of financial statements with the selected independent audit firm to audit and review BVSC's financial statements in the fiscal years 2024, 2025, 2026.

The Supervisory Board respectfully to the Meeting for consideration and approval.

*Best regards!*

*To:*

*- As above;*

*- Archive: Secretariat, SB.*

ON BEHALF OF THE SUPERVISORY  
BOARD



HEAD

*Nguyen Xuan Hoa*

