

REPORT ON OPERATION OF THE BOARD OF DIRECTORS

GENERAL

As of year-end 2019, the Board of Directors (BOD) consists of 06 members, in which 05 members have held title for a full year, and 01 independent member that is Mr. Pham Viet Muon who was elected to replace his predecessor- Mr. Bui Quang Nghiem who ended his term on 25 Apr 2019. Mr. Ngo Van Diem and Mr. Pham Viet Muon are 02 independent BOD members. The BOD is considered to be balanced and suitable among members who had tremendous experiences with relevant qualification and knowledge about governance, law, finance and securities, and in compliance with the laws and regulations and ensuring the independence and objectivity of the BOD's governance. Majority of management executives of the Company have completed training courses on corporate governance.

In 2019, the BOD had organized 04 meetings, including 02 in-person meetings and 02 meetings for soliciting written opinions, which were fully attended by the BOD members. Accordingly, the BOD has passed 10 resolutions to execute the decisions of the GMS as well as other roles within the authority of the Board.

No	Resolution	Date	Content
1	01/2019/NQ-HĐQT	20/03/2019	Adopting the 2019 Annual General Meeting of Shareholders
2	02/2019/NQ-HĐQT	17/05/2019	Resolution on the offering of Covered Warrants
3	03/2019/NQ-HĐQT	26/08/2019	Resolution on the offering of Covered Warrants with following stocks: REE, VNM, VIC, VJC, VHM, MBB, FPT, and HPG
4	04/2019/NQ-HĐQT	25/10/2019	Consult the General Meeting of Shareholders in writing for approval of stock issuance to pay dividends, increasing charter capital to meet the needs of scaling up company operations
5	05/2019/NQ-HĐQT	25/10/2019	Adjust 2019 Business Plan
6	06/2019/NQ-HĐQT	25/10/2019	Approve the establishment of Sub-Committee on Development Strategy under the BOD
7	07/2019/NQ-HĐQT	25/10/2019	Resolution on function, mission and organization of Sub-Committee on Development Strategy under the BOD
8	08/2019/NQ-HĐQT	25/10/2019	Approve the merge of two Departments: “Retail Research and Investment Advisory” & “Institutional research and investment advisory” into “Research and Advisory Center”
9	09/2019/NQ-HĐQT	25/10/2019	Resolution on offering of Covered Warrant until end of year 2020
10	10/2019/NQ-HĐQT	25/10/2019	Promulgating the Regulation on share issuance under the 2019 Employee Stock Option Program in pursuant to Article 6 of Resolution No. 01/2019/NQ-DHDCD dated April 25, 2019 of the Annual General Meeting of Shareholders

Supervisory activities for the Board of Management

The BOD direct the BOM to implement AGM Resolutions and BOD Decisions, including: Reviewing and revising the 2019 business plan, preparing the 2020 business plan for submission to the AGM; Selecting an Audit Firm and independent audit of the financial statements for the year 2019; Continuing to renovate and upgrade the information technology system to support the company's new products and improve customer service quality; Reviewing the system, ensuring safety and being proactive in risk management; Providing guidance to implement share issuance under the 2019 Employee Stock Option Program (ESOP) in order to increase interests between employees with the Company; and tasks for business development and operation safety.

Activities of Committees under the BOD and Independent BOD members

In 2019, the Board of Directors established a **Strategy & Development Committee** under the Board of Directors and completed its organizational structure, personnel and operational regulations. This Committee has the function of defining business strategies followed by action plans in particular market conditions, supervising the implementation and administration of projects to ensure effectiveness in business activities and to align the development with strategic operations of the Company.

In addition, the Board of Directors has appointed independent members in charge of risk management and internal audit with main roles as follows:

- Reviewing and advising the BOD for approval of the risk management policies and limits, internal audit strategy and policy;
- Examining and evaluating internal audit and risk management activities in terms of compliance with procedures, accounting standards and principles of overall operations of the Company;
- Reporting on the performance and effectiveness of internal audit performed during the year; proposing solutions to overcome shortcomings and limitations in order to improve the business performance of the Company;

Independent BOD members, in cooperation with the SB, and consultancy with Risk Management, Internal Audit, and Compliance follow the activities of risk management and compliance of the Company. These members further participate in meetings of the BOD to review proposed strategic orientation and business plan; monitor and monthly report on the activities of the Board, produce results on supervising the Board of Management send to members of the BOD in conformity with the Company Charter.

EVALUATION REPORTS FROM THE BOARD OF DIRECTORS

BOD Evaluation on SSI Performance

In 2019, SSI was consistent with the sustainable development strategy while stimulating investment in both personnel and infrastructure to adapt to the era of technology. The company devoted more resources (time, financial and human capital) for researching and developing new products, building information technology systems, and improving the quality of human forces. SSI commits to assist and accompany with investors in defining appropriate plans to anticipate future development opportunities of the market.

Upon pessimistic market condition in the first 9 months of 2019 that had detrimental effects on the Company's business performance, in October 2020, the BOD adopted Resolution No. 05/2019/NQ-HĐQT dated 25/10/2019 based on the AGM Resolutions, adjusting 2019 business plan for key financial targets. Specifically, profit before tax and revenue in 2019 were adjusted to VND 1,100 billion and VND 2,950 billion respectively, equivalent to a decrease of 35.3% and 21.9% compared to the initial plan.

By the end of 2019, the Company achieved revised target with consolidated revenue of VND 3,308.6 billion and consolidated profit before tax of VND 1,105.5 billion while operating costs remain stable in comparison to the same period last year. As of December 31, 2019, SSI's total assets has an increase of 13% from the opening balance result to VND 27,044 billion, in which owners' equity reached VND 9,401 billion.

SSI acts in compliance with the law, fulfills its obligations to the State, performs social responsibilities with charity work to be of priority. The company implements corporate governance in public and transparent practices, accomplishes a balance of interests between itself and the benefit of the State, the Shareholders, and Customers.

BOD Evaluation on Board of Management's Performance

The BOD highly appreciated and recognized the Board of Management's performance in 2019. The Board of Management always showed their solidarity and creativity, actively organized and fully implemented the Resolutions of the GMS and BOD in a timely and effective manner. Internal audit and internal control were carried out regularly to prevent and control risks.

SSI has focused and improved business ethic and corporate culture by developing regulations, organizing training and team engagement activities.

Relations with the Public, Investors, and Media Agencies have been paid great attention to improve Company's image. SSI's analytical reports are sources of objective, professional and in-depth information of the stock market, that has been paid great attention and highly appreciated by investors and consulting firms.

BUSINESS PLANS AND ORIENTATION IN 2020

- Building SSI to be the No.1 company with the best quality in securities market; Enhancing financial, human and technology capacity to meet the goal of sustainable development; Fulfilling obligations to the State, Shareholders, Customers, Employees and Community in order to inspire company vision: "The business of success".
- Continuing to utilize the advantage of leading position, striving to maintain the largest brokerage market share, developing new products and services, competing on quality, offering clients more flexible products supporting to optimize working capital, securing capital in margin financing activities.
- Improving the operational quality of information technology, information security and safety in any situation; Building strong team while streamlining and improving the efficiency and effectiveness of system; Strengthening on-the-job training, improving the quality of human resources to meet the technological application requirement of Industry 4.0.