



# REGULATION ON OPERATION OF BOARD OF DIRECTORS SSI SECURITIES CORPORATION

*Ho Chi Minh City, 10 Jan 2022*

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## **REGULATION ON OPERATION OF BOARD OF DIRECTORS**

### **SSI SECURITIES CORPORATION**

*(Issed in attachment with the Resolution No. 01/2022/NQ-ĐHĐCĐ dated 10 Jan 2022)*

*Pursuant to the Law on Securities dated 26 November 2019;*

*Pursuant to the Law on Enterprises dated 17 June 2020;*

*Pursuant to the Decree No. 155/2020/ND-CP of the Government dated 31 December 2020 on detailing the implementation of a number of Articles of the Law on Securities;*

*Pursuant to the Circular No. 116/2020/TT-BTC of the Minister of Finance dated 31 December 2020 on guidelines for implementation of some Articles on administration of public companies in the Government's Decree No. 155/2020/ND-CP elaborating some Articles of the Law on Securities;*

*Pursuant to the SSI Securities Corporation's Charter;*

*Pursuant to the Internal Regulation on Corporate Governance of SSI Securities Corporation;*

*Pursuant to the Resolution of the General Meeting of Shareholders No. 01/2022/NQ-ĐHĐCĐ dated 10 January 2022;*

*The Board of Directors hereby promulgates the Regulation on operation of SSI's Board of Directors.*

*The Regulation on operation of the Board of Directors include following contents:*

#### **CHAPTER I**

##### **GENERAL PROVISIONS**

###### **Article 1. Governing scope and applicable entities**

1. Governing scope: The Regulation on operation of the Board of Directors specify the personnel organizational structure, operating principles, rights, obligations of the Board of Directors and members of the Board of Directors to operate in accordance with the Law on Enterprises, the Company's Charter and other relevant legal regulations.
2. Subject of application: This regulation is applied to the Board of Directors and members of Board of Directors.

###### **Article 2. Operating principles of Board of Directors**

1. The Board of Directors works under the collective principles. The members of the Board of Directors take the personal responsibilities for their tasks and to the General Meeting of Shareholders and to the laws for the resolutions and decisions of the Board of Directors for the Company's development.
2. The Board of Directors assigns the Chief Executive Officer to manage and perform the resolutions and decisions of the Board of Directors.

#### **CHAPTER II**

##### **MEMBER OF BOARD OF DIRECTORS**

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

1. Members of the Board of Directors have full rights specified by the Law on Securities, relevant laws and the Company's Charter, including the rights to be provided with information and documents on financial position, business activities of the Company and its units.
2. Members of the Board of Directors have obligations as prescribed at the Company's Charter and following obligations:



- a) To fulfill their assigned tasks in an honest, discretion and best manner to ensure the best benefits of the shareholders and the Company;
  - b) To fully participate into the meetings of the Board of Directors and release the viewpoints on issues to be discussed;
  - c) To fully and timely report the Board of Directors about remunerations obtained from the subsidiaries, affiliates and other organizations;
  - d) To submit the Board of Directors at the latest meeting the report on transactions between the Company, subsidiaries and other companies which the Company holds the controlling rights over 50% of the charter capital with member of Board of Directors and their related persons; the transactions between the Company and company which the member of Board of Directors is the founding member or Enterprise Managers in the 03 recent years before trading date;
  - e) To conduct information disclosures when making the transaction on the Company's shares as prescribed by the laws.
3. The independent member of the Board of Directors must prepare the report on Board of Directors' operation assessment.

#### **Article 4. Rights to be provided with information of BOD Members**

1. The Board of Directors members may request the Chief Executive Officer and other managers of the Company to provide the information and documents on financial position, business operations of the Company and the units in the Company.
2. The manager to be required must timely, accurately and fully provide the concerned information and documents as per request of BOD members. Sequences and procedures of the information request and provision shall be specified by the Company's Charter.

#### **Article 5. Term and number of BOD members**

1. The number of members of the Board of Directors shall be at least five persons and in maximum eleven members.
2. The term of the members of the Board of Directors shall not be over five (05) years and members of the Board of Directors may be re-elected for unlimited number of terms. Each individual is only elected as independent member of the Board of a company not exceeding 02 consecutive terms.
3. In the event that all members of Board of Directors end the term, such members are assumed to be the Members of Board of Directors till the new ones are elected to replace and undertake the tasks, unless otherwise regulated by the Company's Charter.
4. The number, rights, obligations, how to organize and coordinate the operations of the independent member of Board of Directors shall be specified by the Company's Charter.

#### **Article 6. Criteria and conditions to be member of the Board of Directors**

1. Member of the Board of Directors must be qualified with the following criteria and conditions, concretely:
  - a) Not being subject to entities as prescribed in Clause 2, Article 17 of the Law on Enterprises;
  - b) Having professional level, experiences in business management or experiences in the securities, finance and banking sectors and not required to be the Company's shareholders;
  - c) Not being the Chief Executive Officer, member of the Board of Directors, member of the Board of Members of another securities company; not concurrently being a member of the Board of Directors of more than 05 other companies;
  - d) Not being a former member of the Board of Directors or legal representative of a company that was bankrupt or prohibited to operate due to serious violation of the law.



2. Independent member of the Board of Directors as prescribed in point b, clause 1, Article 137 of the Law on Enterprises must be qualified with the following criteria and conditions, concretely:

- a) Not being employee who is working for the Company, parent company or its subsidiaries; not be former employee who worked for the Company, its parent company or its subsidiaries in at least 03 last consecutive years;
- b) Not be person enjoyed the salary and remuneration from the company, except for the required allowances to be received by the BOD member;
- c) Not being person whom spouse, natural parents, adopted parents, natural child, adopted child, natural siblings of the Company's major shareholder; as the Manager of the Company or its subsidiaries;
- d) Not be person who directly or indirectly owns at least 01% of total voting shares in the Company;
- e) Not being former member of Board of Directors of the Company for at least 05 consecutive years, unless is appointed for 02 consecutive terms.

3. The independent member of the Board of Directors shall notify the Board of Directors about the ineligibility for the conditions specified in clause 2 of this Article and he is ceased to be an independent member of the Board of Directors since conditions and criteria are not fully satisfied. The notice shall be released by the Board of Directors in case that the independent member of the Board of Directors is disqualified with the conditions in the latest General Meeting of Shareholders or the Extraordinary General Meeting of Shareholders shall be convened to elect additionally or replace such independent member of the Board of Directors within 06 months since the notice is received from the related independent member of the Board of Directors.

#### **Article 7. Chairman of Board of Directors**

1. The Chairman of Board of Directors shall be elected, removed and dismissed from the Board members by the Board of Directors.

2. The Chairman of Board of Directors shall not concurrently hold the title of Chief Executive Officer.

3. The Chairman of the Board of Directors has rights and obligations as prescribed at Clause 3, Article 29 of the Company's Charter.

4. Where the Chairman of Board of Director submits a letter of resignation or he is removed, the Board of Directors must elect a substitution within 10 days since the receipt date of the letter of resignation or the Chairman is removed. In the event that the Chairman of BOD is absent or unable to perform his tasks, a written letter of authorization must be made to authorize another member to fulfill the rights and obligations of the Chairman of BOD in accordance with the principles specified herein. Where the authorized person is not found or the Chairman dies, misses or is seized or enforced with imprisonment sentence or administrative sanctions at the mandatory detoxication facilities, mandatory education facilities, escapes from the residing place, has restricted civil act capacity or has difficulties in recognition or mastering the behavior, or he is prohibited to undertake the title, operate or involve in a certain works, then the remaining members shall elect one of them as the Chairman of Board of Directors in accordance with the majority principles till a new decision is made by the Board of Directors.

5. The Board of Directors decides to appoint the Company Secretary as necessary. The Company Secretary has rights and obligations as prescribed at Clause 4, Article 33 of the Company's Charter.

#### **Article 8. Removing, dismissing, replacing and supplementing members of the Board of Directors**

Removing, dismissing, replacing and supplementing members of the Board of Directors shall be approved by the General Meeting of Shareholders in accordance with Article 31 of the Company's Charter.



## **Article 9. Method of election, removal or discharge members of the Board of Directors**

1. A shareholder or group of shareholders, who for at least 10% of total ordinary shares of the Company, shall be entitled to nominate candidates to the Board of Directors. Nomination of a member of Board of Directors is carried out as follows:

a) The ordinary shareholders collecting into group to nominate a member of Board of Directors must notify the group meeting for the participants to know before opening the General Meeting of Shareholders; Number of members of candidates to be nominated is complied with Clause 2, Article 25 of the Company's Charter.

b) According to the number of members of Board of Directors, shareholders or groups of shareholders specified in this clause 2 may nominate one or some persons as resolved by the General Meeting of Shareholders to be the candidate to the Board of Directors. In the event that number of candidates nominated by shareholders or groups of shareholders is lower than that entitled to elect as decided by the General Meeting of Shareholders, the remaining candidates shall be nominated by the Board of Directors, in accordance with Clause 3, Article 25 of the Company's Charter.

2. In case the number of candidates to the Board of Directors through nomination or candidacy still does not reach the necessary number of members, the incumbent Board of Directors can nominate more candidates or organize the nomination following the Company's Charter, Internal Regulations on Corporate Governance and Regulation on operating of the Board of Directors. The incumbent Board's nomination of candidate to the Board of Directors must be clearly announced before the member of Board of Directors is voted and elected by the General Meeting of Shareholders as prescribed by the laws.

3. Voting for member of Board of Directors must be complied with the method of vote accumulation as prescribed at Clause 3, Article 21 of the Company's Charter.

4. Election, removal or discharge of members of the Board of Directors shall be approved by the General Meeting of Shareholders in accordance with the voting principles.

## **Article 10. Notice on election, removal or discharge of members of the Board of Directors**

1. Where the candidates to the Board of Directors are identified, the candidate-related information must be disclosed at least 10 days before opening date of the General Meeting of Shareholders on the Company's website so that the shareholders may understand such candidates before voting, the candidates to the Board of Directors must have a written commitments on honesty and accuracy of disclosed personal information and task fulfillment in an honest, discretion and best manner to ensure the best benefits of the Company if they are elected as members of the Board of Directors. The announced information related to the candidate of the Board of Directors include:

a) Full name, date of birth;

b) Professional qualifications;

c) Employment history;

d) Other managerial titles (including the title of the Board of other Companies);

e) Benefits related to the Company and its related parties;

f) Other information (if any) as prescribed herein;

g) The public company must announce the information about the companies that are held by the candidates holding the member of Board of Directors, other managerial titles and benefits related to the Company of the candidate (if any).

2. Notice on results of electing, removing or discharging members of the Board of Directors is complied with the regulations on guiding the information disclosures.



### **CHAPTER III**

#### **BOARD OF DIRECTORS**

##### **Article 11. Rights and obligations of the Board of Directors**

1. The Board of Directors is the Company's management authority, having absolute rights to act on behalf of the Company to decide and fulfill the rights and obligations of the company, except for rights and obligations under the authority of the General Meeting of Shareholders.
2. The rights and obligations of the Board of Directors shall be governed by the law, Charter, the decisions of the General Meeting of Shareholders. Particularly, the Chairman of the Board of Directors has rights and obligations as prescribed at Clause 2, Article 27 of the Company's Charter.
3. The Board of Directors approves the resolutions and decisions by voting at the meeting, taking the written consultation or other forms as prescribed by the Company's Charter. Each member of Board of Directors has one vote.
4. In the event that the resolutions and decisions approved by the Board of Directors are contrary to the regulations of the laws, the resolutions of the General Meeting of Shareholders or the Company's Charter, causing damages incurred by the company, the members who approve such resolutions and decisions must be jointly and jointly responsible for such resolutions and compensating damages incurred by the company; the members who reject the above resolutions and decisions are released from the responsibility. In this case, the Company's shareholders may request the Court to suspend or cancel the aforesaid resolutions and decisions.

##### **Article 12. Mission and powers of the Board of Directors relating to approval and execution of the transaction contract**

1. The Board of Directors accepts the contracts and transactions having value of less than 35% or transactions resulting in total transaction value within 12 months since the first transaction date, having value of less than 35% of total asset value recorded in the latest financial statements or another proportion or value less than that as prescribed by the Charter between the Company and one of following entities:
  - a) The Board of Directors members, Chief Executive Officer, other managers and their related persons;
  - b) Shareholders, the authorized representatives of the shareholders holding over 10% of total ordinary shares of the Company and their affiliates;
  - c) Enterprise related to the subjects specified at Clause 1 of Article 19 herein.
2. The Company's representative who signs the contract or transaction must notify the members of the Board of Directors and Audit Committee about the related subjects for such contracts and transactions, enclosed with the draft contracts or main contents of the transactions. BOD decides to approve the contracts or transactions within 15 days since the date of notice unless otherwise periods regulated by the Company's Charter; BOD members with related benefits in the contracts or transactions shall not have the voting rights.

##### **Article 13. The BOD's obligations to convene the Extraordinary General Meetings of Shareholders**

1. The Board of Directors shall convene the Extraordinary General Meeting of Shareholders in accordance with cases specified at Clauses 3 Article 14 of the Company's Charter.
2. The Board of Directors shall convene the Extraordinary General Meeting of Shareholders in accordance with cases specified at Clauses 4 Article 14 of the Company's Charter.
3. A person who convenes the General Meeting of Shareholders has to perform the following tasks:
  - a) Prepare the list of shareholders eligible to participate into the meeting;
  - b) Provide information and handle the claims related to the list of shareholders;



- c) Prepare the meeting agenda and contents;
- d) Prepare the meeting materials;
- e) Draft the resolutions of the General Meeting of Shareholders in accordance with the expected meeting contents; list and details of the candidates in case of electing members of Board of Directors and Supervisory Board;
- f) Identify the time and venue to hold the meeting;
- g) Deliver the invitation to meeting to each shareholder eligible to participate into the meeting as prescribed by the Law on Enterprises;
- h) Other tasks to serve for the meeting.

#### **Article 14. Subcommittees of the Board of Directors**

1. The Board of Directors may establish their divisions in accordance with Article 32 of the Company's Charter and Article 31 of the Internal Regulations on Corporate Governance.
2. Enforcement of the decisions approved by the Board of Directors or their divisions must be complied with the provisions of the applicable laws, the Company's Charter, and Internal Regulations on Corporate Governance.

### **CHAPTER IV**

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

##### **Article 15. Meeting of Board of Directors**

The meeting of Board of Directors is complied with Article 30 of the Company's Charter.

##### **Article 16. Minutes of Board of Directors Meeting**

1. The Board of Directors Meetings must be recorded into the minutes. It may be recorded or kept and maintained in other electronic forms. The minutes must be made in Vietnamese, or further made in foreign languages and included main contents as follows:
  - a) Name, business code and registered office address of the Company;
  - b) Meeting time and venue;
  - c) Meeting purposes, agenda and contents;
  - d) Full name of each participant or authorized person and participant manner; full name of non-participants and related reasons;
  - e) Issues to be discussed and voted in the meeting;
  - f) Summary of viewpoints delivered by the participants in accordance with the meeting's development;
  - g) The vote checking results specifying the members who do approve, not approve and no comment;
  - h) The respective issues that have been ratified;
  - i) Full name and signature of the chairman and person who prepares the minutes, unless the cases specified at Clause 2 of this Article.
2. In the event that the Chairman and Minutes recorder refuse to sign the meeting minutes but if other members of the Board of Directors participating into the meeting sign and complete contents are available as specified at points a, b, c, d, e, f, g and h, Clause 1 of this Article, then the Minutes shall be effective.
3. The Chairperson, person who prepares the minutes and persons who sign the minutes shall be liable for the truthfulness and accuracy of the contents in the Board of Directors' minutes of the meeting.



4. The Board of Directors meeting minutes and the meeting materials must be kept in the Company's registered office.

5. Minutes in Vietnamese and foreign language shall have the same legal validity. In case of difference in contents of Vietnamese and foreign language version, the contents in the Vietnamese version shall prevail.

## **CHAPTER V**

### **REPORT, PUBLIC DISCLOSURE OF BENEFITS**

#### **Article 17. Submission of annual reports**

1. At the end of the financial year, the Board of Directors shall submit the General Meeting of Shareholders the following reports:

- a) Report on the Company's business performance;
- b) Financial statements;
- c) Report on operating of Board of Directors;
- d) Report on operating of the independent members of Board of Directors in the Audit Committee.

3. Reports specified at clause 1 of this Article and auditor's report must be kept at the head office and disclosed as prescribed by the laws.

#### **Article 18. Remuneration, bonus and other benefits of members of the Board of Directors**

Remuneration, bonus and other benefits of members of the Board of Directors are specified at Article 28 of the Company's Charter.

#### **Article 19. Disclosure of related benefits**

Unless a stricter regulation is not specified herein, the disclosure of benefits and related persons of the Company is complied with following regulations:

1. The member of Board of Directors must declare their relevant benefits to the Company, including:

- a) Name, business code, registered office address, business line, sector of the enterprises that contributed capital or share is owned by them; ownership percentage and its holding period such contributed capital or share;
- b) Name, business code, registered office address, business lines and sector of the enterprise that the related person jointly or separately owns the contributed capital or shares against 10% of chartered capital.

2. Declaration as prescribed in clause 1 of this Article must be implemented within 07 working days since the related benefits are arisen; the Company must be notified with the amendment and supplement within 07 working days since the date of respective amendment and supplement.

3. BOD members on behalf of themselves or other person to fulfill the tasks in any forms whatsoever within the Company's scope of business shall explain the nature and contents of such tasks to the BOD and only implement when approval is obtained from majority of remaining BOD members; if implementation is initiated without approval of BOD, all income originated from such activities shall belong to the Company.



## CHAPTER VI

### RELATIONSHIP OF BOARD OF DIRECTORS

#### Article 20. Relationship between members of Board of Directors

1. Relation between the members of Board of Directors is the coordination relation, members of Board of Directors are responsible for communicating the relevant issues to each other during fulfillment of the assigned tasks.
2. During working process, the member who is assigned to take main responsibilities must actively coordinate and handle if there is problem related to fields covered by another member of Board of Directors. Where disagreement is found among members of Board of Directors, the mainly responsible member shall report the Chairman of the Board of Directors for consideration and decision under the authority or convene the meeting or consult the Board of Directors members as prescribed by the laws, the Company's Charter and this Regulation.
3. When re-appointment is made among the Board of Directors members, the members must handover the relevant works, records and documents. Such handover must be made into writing and reported to the Chairman of the Board of Directors for acknowledgment.

#### Article 21. Relationship with Board of Management

As the management role, the Board of Directors promulgates the resolutions for the Chief Executive Officer and managers to implement. The Board of Directors shall also inspect and monitor the fulfillment of the Resolutions.

#### Article 22. Relationship with the Audit Committee

1. The relationship between the Board of Directors and the Audit Committee is the coordination relationship. The working relationship between the Board of Directors and the Audit Committee is complied with the principles of equality and independence, mutual support during fulfillment of the assigned tasks.
2. Upon receipt of inspection minutes or general reports of the Audit Committee, the Board of Directors shall study and directly instruct the relevant departments to prepare the plan and conduct timely adjustments.

## Chapter VII

### IMPLEMENTATION

#### Article 23. Validity

The Regulation on operation of Board of Directors of the SSI Securities Corporation include 7 Chapters, 23 Articles and come into effect since 10 January 2022.

ON BEHALF OF THE BOARD OF DIRECTORS  
THE CHAIRMAN

(Signed and sealed)



NGUYEN DUY HUNG