



Ho Chi Minh City, 9 April 2019

No.: 20/2019/TT-HĐQT-TCD

PROPOSAL

Re: Bonus share issuance under Employee Stock Ownership Plan (ESOP) for members of BOD, BOM and SB based on business results 2018 and Employee Stock Ownership Plan 2019

To: Shareholders of TRACODI

- Pursuant to the Law No. 68/2014/QH13 passed by the National Assembly of the Socialist Republic of Vietnam on Enterprise on 26 November 2014;
- Pursuant to the Law No. 70/2006/QH11 passed by the National Assembly on 29 June 2006 on Securities; the Law No. 62/2010/QH12 passed by the National Assembly on 24 November 2010 on amending and supplementing a number of articles of Law No. 70/2006/QH11 on Securities;
- Pursuant to the Charter of Transport and Industry Development Investment Joint Stock Company (TRACODI) approved by shareholders on 18 September 2018 (which was amended and supplemented at its 8th session);
- Pursuant to Proposal No. 14/2018/TT-HĐQT passed by shareholders under the Resolution No. 06/2018/NQ-ĐHĐCĐ at the Annual General Meeting 2018 on 28 May 2018;
- Pursuant to the consolidated financial statements 2018 of Transport and Industry Development Investment Joint Stock Company (TRACODI) has been audited by Southern Auditing and Accounting Financial Consultancy Services Co., Ltd (AASCS).

To encourage and reward members of BOD, SB, BOM for their efforts in bringing good business results and gaining benefits for shareholders, TRACODI kindly proposes shareholders to approve the Employee Stock Ownership Plan (ESOP) as follows:

I. Bonus share issuance under Employee Stock Ownership Plan (ESOP) based on performance:

- Share name: Transport and Industry Development Investment Joint Stock Company Share
- Type of share: ordinary share
- Par value per share: VND 10,000
- No. of outstanding shares : 38,230,192 shares
- The value of bonus shares under ESOP will be based on: the consolidated profit after tax which approved by shareholders at the Annual General Meeting 2018. In particular, if the Company achieves the financial target, the target bonus will be

paid to each member is 2% of target profit after tax, and if the Company achieves beyond its target, the amount will be paid to each member is additional 20% of actual profit after tax minus target profit after tax:

$$(77,103,956,361 * 2\%) + (81,858,010,513 - 77,103,956,361) * 20\% = \text{VND } 2,492,889,957$$

- Maximum no. of shares issued under ESOP: 249,288
- Source of issuance: undistributed profit after tax according to the audited consolidated financial statements 2018 as at 31 December 2018.
- Expected execution time: Q2/2019
- Transfer restriction: shares under ESOP are not subject to transfer restriction.
- Total numbers of add-on shares issued will be additionally listed in Hochiminh Stock Exchange.

II. Bonus share issuance under ESOP in 2019:

- Share name: Transport and Industry Development Investment Joint Stock Company Share
- Type of share: ordinary share
- Par value per share: VND 10.000
- Conditions for bonus share issuance under ESOP: The Company must achieve or exceed the financial target approved by shareholders at the Annual General Meeting 2019. In which, if the Company achieves the financial target, each member shall receive the target bonus of 2% of target profit after tax, and if the Company achieves beyond its target, each member will receive additional 20% of actual profit after tax minus target profit after tax

For example: the target consolidated profit after tax in 2019 is VND 80 billion:

- *If the Company earns VND 80 billion in the actual consolidated profit after tax in 2018. The value of bonus shares under ESOP will be: $2\% \times \text{VN } 80 \text{ billion} = \text{VND } 1.6 \text{ billion}$.*
- *If the Company exceed its target and earns VND 85 billion in the actual consolidated profit after tax in 2019. The value of bonus shares under ESOP will be: $(2\% \times 80) + (85 - 80) \times 20\% = \text{VND } 2.6 \text{ billion}$.*
- Maximum no. of shares issued: 1.000.000, the specific number of shares will be based on the consolidated profit after tax 2019 (in the audited consolidated financial statements 2019) and the Board of Directors will be authorized to decide.
- Rate of issuance (shares to be issued per outstanding shares): 2,62%.
- Form of issuance: bonus share issuance under the employee stock option program. No payment required.
- Source of issuance: undistributed profit after tax specified in the audited consolidated financial statements 2019 as at 31 December 2019.
- Time of issuance: after the consolidated financial statements 2019 has been audited.
- Beneficiary: ESOP shall apply for members of BOD, SB, and BOM decided by BOD.

- Purpose of issuance: share issuance under ESOP and increase of the Charter Capital.
- Criteria of selection and distribution: decided by the BOD.
- Transfer restriction: shares under ESOP are not subject to transfer restriction
- Total numbers of add-on shares issued will be additionally listed in Hochiminh Stock Exchange.

III. To approve and authorize the BOD on following issues:

Shareholders agree and authorize BOD to make decisions on following issues:

1. To build regulation on share issuance under ESOP and specific share issuance plan which specify clearly criteria and members of BOD, SB and BOM who are eligible to join ESOP, share price, time of issue and terms and conditions on time of transfer and other requirements, rights and obligations in relation with shares under ESOP, issues and how to solve issues in relation with ESOP, and amendment to changes of the plan (if any) in accordance with the laws;
2. To authorize BOD to make decision on numbers of actual shares will be issued after the consolidated financial statement 2019 has been audited.
3. To amend, adjust or supplement the plan to register at the State Securities Commission or with other related agent in compliance with the laws (if any).
4. To prepare and submit issuance documents to the State Securities Commission;
5. To carry out necessary procedure of business registration with Department of Planning and Investment of Ho Chi Minh City after the issuance has been done;
6. To amend, adjust or supplement articles in Charter of the Company in relation with changes in the Charter Capital after share issuance.
7. To make additional registration and depository all of ordinary shares issued to members of BOD, SB and BOM, which approved by shareholders, at the Vietnam Securities Depository in Ho Chi Minh City.

Kindly submit to shareholders for consideration and approval.

Kind Regards,

Recipients:

- The AGM;
- Archived: BOD, BS Dept.

**FOR AND ON BEHALF OF THE BOARD OF
DIRECTORS
THE CHAIRMAN**

Nguyen Ho Nam