



*Ho Chi Minh City, 7 April 2021*

No.: **15/2021/TTĐH-HĐQT-TCD**

## **PROPOSAL**

***Re: Bonus share issuance under Employee Stock Ownership Plan (ESOP) for members of BOD, BOM and SB based on performance 2020 and Employee Stock Ownership Plan 2021***

**To: Shareholders of TRACODI**

- Pursuant to the Law No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on Enterprise on 17 June 2020 ;
- Pursuant to the Law No. 54/2019/QH14 passed by the National Assembly on 26 November 2019 on Securities;
- Pursuant to the Charter of Transport and Industry Development Investment Joint Stock Company (TRACODI) approved by BOD on 4 February 2021 – according to the authorization by the General Meeting of Shareholder through postal ballot on 8 December 2020 (which was amended and supplemented at its 14<sup>th</sup> session);
- Pursuant to the Proposal No. 19/2020/TTĐH-HĐQT-TCD on June 4<sup>th</sup>, 2020 passed by shareholders under the Resolution No. 05/2020/NQ-ĐHĐCĐ-TCD at the Annual General Meeting 2020 on June 20<sup>th</sup>, 2020;
- Pursuant to the consolidated financial statement 2020, 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: **82,294,590**
- The value of bonus shares under ESOP will be based on: the consolidated profit after tax would exceed the one which approved by shareholders at the Annual General Meeting 2020. In particular, if the Company achieves the financial target, the target bonus will be paid to each member is 5% target of profit after tax, and if

the Company achieves beyond its target, the amount will be paid to each member is additional 30% of beyond amount of actual profit after tax:

$$(77,103,956,361 * 2\%) + (81,858,010,513 - 77,103,956,361) * 20\% = \text{VND } 2,492,889,957$$
$$(101,332,890,679 * 5\%) + (146,747,194,042 - 101,332,890,679) * 30\% = \text{VND } 18,690,935,543$$

which is equivalent to no. of shares issued under ESOP is 1,869,093.

- Pursuant to the Proposal No. 19/2020/TTĐH-HĐQT-TCD on June 4<sup>th</sup>, 2020 passed by shareholders under the Resolution No. 05/2020/NQ-ĐHĐCĐ-TCD at the Annual General Meeting 2020 on June 20<sup>th</sup>, 2020 pointing out: Number of shares issued under ESOP is based on Consolidated Profit after tax 2020, which shows in the Audited Consolidated Financial Statement 2020, and the maximum number of shares to be issued is 1,000,000.
- Maximum value of share under under ESOP: VND 8,000,000,000
- Number of shares under bonus to be expectedly issued in this phase: 800,000
- Source of issuance: undistributed profit after tax according to the audited consolidated financial statements 2020 as at 31 December 2020.
- Expected execution time: Q2/2021
- 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 2021:

- 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 2020. In which, if the Company achieves the financial target, each member shall receive the target bonus of 5% of target profit after tax, and if the Company achieves beyond its target, each member will receive additional 30% of beyond amount of actual profit after tax.

*For example: the target consolidated profit after tax in 2021 is VND 100 billion:*

- *If the Company earns VND 100 billion in the actual consolidated profit after tax in 2020. The value of bonus shares under ESOP will be:  $5\% \times \text{VN } 100 \text{ billion} = \text{VND } 5 \text{ billion}$ .*
  - *If the Company exceed its target and earns VND 120 billion in the actual consolidated profit after tax. The value of bonus shares under ESOP will be:  $(5\% \times 100) + (120 - 100) \times 30\% = \text{VND } 5 \text{ billion} + \text{VND } 6 \text{ billion} = \text{VND } 11 \text{ billion}$ .*
- Maximum no. of shares issued: 4.000.000, the specific number of shares will be based on the consolidated profit after tax 2020 (in the audited consolidated financial statements 2020) and the Board of Directors will be authorized to decide.

- Rate of issuance (shares to be issued per outstanding shares): not exceeding 2,5% of number of outstanding shares at as December 31<sup>st</sup>, 2021.
- 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 2021 as at 31 December 2021.
- Time of issuance: after the consolidated financial statements 2021 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 2020 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 listing, registration and depository all of ordinary shares issued to members of BOD, SB and BOM, which approved by shareholders, at the Hochiminh Stock Exchange and 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  
CHAIRMAN**

**Nguyen Ho Nam**