



No.: **16/2024/TTĐH-HĐQT-TCD**

PROPOSAL

Ref: Report on the non-implementation of the ESOP share bonus policy for the Board of Directors, the Supervisory Board, and key persons based on the business results of 2023 and the plan for implementing policy of ESOP for the year 2024

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 16 June 2023 – according to the authorization by the General Meeting of Shareholder 2023 (24th version);
- Pursuant to the Proposal 13/2023/TTĐH-HĐQT-TCD dated March 22nd, 2023 approved by the AGM 2023 via Resolution 04/2023/NQ-ĐHĐCĐ-TCD dated April 12th, 2023;
- Pursuant to the Audited Consolidated Financial Statement 2023 of Transport and Industry Development Investment Joint Stock Company (TRACODI) which has been audited by Southern Auditing and Accounting Financial Consultancy Services Company Limited (AASCS);

To encourage and motivate the Board of Directors, the Supervisory Board, and the Board of Management of the Transport and Industry Development Investment Joint Stock Company (TRACODI) in achieving and fulfilling profit targets for the utmost benefit of shareholders, the Board of Directors of TRACODI respectfully presents to the General Meeting of Shareholders the following policy of share bonus for completing and exceeding the business targets for members of the BoD, the Supervisory Board, and the BoM of TRACODI as follows:

I. Report on the non-implementation of the ESOP share bonus policy for the Board of Directors, the Supervisory Board, and key persons based on the business results of 2023:

- According to Proposal No. 13/2023/TTĐH-HĐQT-TCD dated March 22, 2023, which was approved by the AGM through the Resolution No. 04/2023/NQ-ĐHĐCĐ-TCD dated April 12, 2023, with the following content: *The condition for issuing ESOP shares in 2023 would be that the Company have to achieve or exceed the consolidated profit after tax plan as approved by the AGM in 2023.*
- Consolidated profit after tax in 2023: **VND175,423,264,616**, equivalent to 66.4% of the target of consolidated profit after tax as approved by the AGM in 2022.

Therefore, it was ineligible for the Company to implement the ESOP plan for the BoD, the Supervisory Board, and the BoM, or the Company did not implement the ESOP share incentive policy.

II. Plan for implementing ESOP share bonuses in 2024:

- Name of share: Share of Transport and Industry Development Investment Joint Stock Company
- Type of share: Common share
- Par value: VND10,000 per share
- Condition for implementing the ESOP: The Company have to achieve or exceed the consolidated profit after tax plan as approved by the AGM in 2024. In particular, if the plan is achieved, a bonus of 5% on profit after tax will be allocated, and if the plan is exceeded, an additional 30% of the profit after tax calculated on the value exceeding the plan will be allocated.

Eg: Consolidated Profit after tax according to plan in 2024 is VND100 billion:

- *In case the business results are realized in 2024, the Company will achieve a consolidated profit after tax of VND100 billion. Amount of share issuance under ESOP = $5\% \times \text{VND100 billion} = \text{VND5 billion}$.*
- *In case the business results exceed the target set out, i.e. VND120 billion. Amount of share issuance under ESOP = $(5\% \times 100) + (120-100) \times 30\% = \text{VND5 billion} + \text{VND6 billion} = \text{VND11 billion}$.*
- Maximum number of shares to be issued: 4,000,000 shares, the specific number to be issued will be based on the 2024 Consolidated Profit after Tax in the 2024 Consolidated Audited Financial Statements and the Board of Directors will be authorized to decide.
- Issuance ratio (number of shares to be issued/number of outstanding shares): no greater than 2.5% of the total outstanding shares at December 31, 2024.
- Method of issuance: Issuing bonus shares under the employee stock option program of the Company.
- Source of the issuance: Retained earnings s as of December 31, 2024 according to the 2024 audited financial statements.
- Time of the issuance: After the audited financial statements for the year 2024 is issued.
- Subject: The ESOP program applies to members of the Board of Directors, Supervisory Board, the Board of Management and employees as decided by the Board of Directors.
- Objective of the issuance: ESOP issuance plan and increasing the Charter capital.
- Criteria to allocate and select: To be decided by the Board of Directors.
- Restrictions on Transfer: 02 years of restriction since the date of issuance completion.
- The entire number of additional shares issued will be additionally listed on the Ho Chi Minh City Stock Exchange.

III. Approve and authorize the Board of Directors to decide on the following issues:

The AGM approves and authorizes the Board of Directors to decide on and implement the following issues:

1. Create guidelines for the issuance of shares through the Employee Stock Ownership Plan (ESOP) along with a detailed strategy, explicitly outlining the qualifications and roster of individuals eligible to join the ESOP scheme, the pricing of issuance, deployment timelines, as well as additional prerequisites. These guidelines should include obligatory conditions regarding transfer deadlines and other limitations, as well as the rights and responsibilities associated with shares issued under the ESOP plan. They should also cover decision-making processes and procedures for addressing other ESOP-related matters and any required amendments to ensure legal compliance;
2. Making adjustments, additions, or modifications to the issuance plan as necessary to register for stock issuance with the State Securities Commission or to ensure conformity with pertinent legal requirements (if applicable);
3. Proactively developing and providing explanations for the applications for share issuance to be submitted to the State Securities Commission;
4. Carrying out business registration procedures with the Ho Chi Minh City Department of Planning and Investment upon completion of the issuance;
5. Carrying out possible amendments and supplements to the Company Charter related to changing the charter capital after completing the ESOP issuance;
6. Completing supplementary registration and deposit procedures at the Ho Chi Minh City Branch of the Vietnam Securities Depository and Clearing Corporation, alongside additional listing on the Ho Chi Minh City Stock Exchange for all the shares to be successfully issued under the ESOP as approved by the AGM and the Board of Directors.

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**

(Signed & sealed)

Nguyen Thanh Hung