ACG Networking week

E-voting Service at VSD

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LEGAL BASIS, SCOPE OF SERVICE

Legal basis:
Clause 3, Article 144 of 2020 Enterprise Law: “Shareholders are considered to attend and vote at a General Meeting of Shareholders (GMS) in the following cases:
- Attending in person and voting directly at the meeting
- Authorizing other individuals and organizations to attend and vote at the meeting
- Attending and voting via online meeting, e-voting or other electronic formats
- Sending ballots to meetings by mail, fax, email
- Sending ballots by other means as prescribed in the company's Charter
LEGAL BASIS, SCOPE OF SERVICE (cont.)

Scope of service:
The e-voting system helps shareholders to participate in all 3 events:
- Postal ballot
- Voting to approve issues of the GMS in the case of Annual or Extraordinary General Meeting
- Seeking opinions of Fund Representative Board, members of the Board of Directors (BOD) of issuers
REQUIREMENTS FOR USING E-VOTING SERVICE

- Issuers
- Investors
- Representative organizations
REQUIREMENTS FOR USING E-VOTING SERVICE (cont.)

For issuers:
- Being companies whose securities are registered at VSD or open-ended funds for which VSD is authorized to act as transfer agent.
- Having signed E-voting contracts with VSD

For investors:
- Being named in the list of investors entitled to voting rights prepared by VSD in accordance with issuers’ notices.
- Having a device connected to the internet (Computer, tablet, mobile phone, other electronic devices, etc.)
- Having a mobile phone number provided by a mobile phone service provider in Vietnam
REQUIREMENTS FOR USING E-VOTING SERVICE (cont.)

For representative organizations
- Being depository members of VSD or Fund certificate distributors where foreign investors open depository accounts/trading accounts for open-ended fund certificates.
- Being authorized by foreign investors to vote on the V-Vote system on their behalf.
PRINCIPLES OF CO-ORDINATION

1. The organization, coordination and provision of E-voting service to issuers shall be carried out in accordance with the E-Voting service supply contracts signed between VSD and issuers.

2. Rights and obligations of investors related to e-voting comply with Regulation on e-voting by issuers based on the agreement with VSD.
The Issuer signs contract with VSD

VSD provides accounts to the Issuer

VSD imports information of the voting and the list of shareholders

The Issuer uploads information

VSD provides accounts to investors, representative organizations

VSD sends the voting result

E-voting ends

E-voting

PRINCIPLES OF CO-ORDINATION (cont.)
<table>
<thead>
<tr>
<th>No</th>
<th>Description</th>
<th>Amount (excluding VAT)</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td><strong>Postal ballot and annual/extraordinary general meeting</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a Fixed amount per time</td>
<td>3,000,000 VND/time (equal to 130$/time)</td>
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<tr>
<td></td>
<td>b Additional amount basing on the number of participants</td>
<td>5,000 VND/investor (equal to 0.22$/investor)</td>
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<td>2</td>
<td><strong>Seeking opinions of Fund Representative Board, BOD</strong></td>
<td></td>
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<tr>
<td></td>
<td>a Fixed amount per year</td>
<td>3,000,000 VND/year (no more than 12 times/year) (equivalent to 130 USD/year)</td>
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<tr>
<td></td>
<td>b Additional amount basing on e-voting times of the year</td>
<td>200,000 VND/time (from the 13th time of the year) (equivalent to 8.6 USD/time)</td>
</tr>
</tbody>
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*(USD exchange rate calculated at the rate of the State Bank of Vietnam)*
2. Fees of sending letters to investors

Mailing Service Fee = Actual amount according to valid invoice made by the courier + 10% VAT

3. Others

In case there is a request to provide specific information or other work, the amount paid by issuers to VSD for these services shall be made on the basis of a written agreement between the two parties.
The electronic voting system at VSD has been operated since 2017. Up to now, VSD has implemented as follows:

- Signing E-voting service provision contracts with 7 issuers and 2 fund managers
- Executing 11 e-voting times to issuers and 5 e-voting times for fund managers
- From 2017 up to now, the number of issuers using e-voting service at VSD is still limited because application of e-voting at general meetings is not legally mandatory for issuers.

- Many companies are still afraid of legal risks, fear of disputes and that the preparation for e-voting is not strict or fails to comply with current laws.
SOME OBSTACLES (cont.)

- Many companies are not willing to change. If e-voting is applied, they have to revise charters or issue regulation on e-voting which require approval by the General Meeting.
- For investors, e-voting is still new, not a real replacement of the traditional voting.
In the time to come, VSD will continue:

- To refine regulations and improve the e-voting system to better meet demand for e-voting service of issuers and fund managers.

- To continue propaganda on benefits of e-voting to issuers and fund managers so that they can pass the message to investors.

- Along with the e-voting service, VSD is also perusing experiences of other countries as well as the feasibility of online voting service for Vietnam securities market.
Thank You!