



SOCIALIST REPUBLIC OF VIETNAM
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SAI GON - HANOI
COMMERCIAL JS BANK
SUPERVISORY BOARD

No: 01/TTr-BKS

Hanoi, March 20, 2023

PROPOSAL

**Re: Selection of independent auditor for the review of financial statements in 2023
of Saigon - Hanoi Commercial Joint Stock Bank**

To: GENERAL MEETING OF SHAREHOLDERS

Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020 of the XIV National Assembly;

Pursuant to the Law on Credit Institutions No. 47/2010/QH12 dated June 16, 2010 of the 12th National Assembly and the Law on Amending and Supplementing a Number of Articles of the Law on Credit Institutions No. 17/2017/QH14 dated November 20, 2017 of the 14th National Assembly ;

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

Pursuant to the Circular No. 01/VBHN-NHNN dated January 10, 2022 of the State Bank of Vietnam (SBV) *"Regulating on independent audit of credit institutions, foreign bank branches"*,

In order to carry out the audit of financial statements in 2023 of Saigon - Hanoi Commercial Joint Stock Bank (SHB) in accordance with the law and SHB's Charter, the Supervisory Board would like to submit to the General Meeting of Shareholders on the selection of an independent auditor to perform the audit and review of SHB's financial statements for the fiscal year 2023 as follows:

SHB is a public credit institution, listing shares on the Vietnamese stock market. Therefore, the audit at the Bank should be seriously performed in a transparent manner, in accordance with accounting and auditing standards. To meet current operational requirements and future development goals, SHB's financial statements need to be audited according to both Vietnamese and international auditing standards. Therefore, the selected Auditor needs to have experience in auditing Vietnam's large commercial banks according to Vietnamese and international auditing standards. The Supervisory Board would like to propose to the General Meeting of Shareholders the following criteria for selecting an independent auditor:

- Being one among reputable international auditing firms, which are allowed to operate in Vietnam; approved by the State Securities Commission to conduct audits for listed organizations;
- Being an audit firm approved by the State Bank of Vietnam to conduct audits of credit institutions and approved by the State Securities Commission to conduct audits of listed enterprises;
- A firm with a team of highly qualified auditors, having extensive experience in auditing financial statements in the field of finance and banking in accordance with Vietnamese accounting standards, accounting system and international accounting standards;
- There is no conflict of interest when auditing the financial statements for SHB;
- With a reasonable audit fee, suitable to the content, scope and progress of the audits requested by SHB.

With the above criteria, the Supervisory Board would like to propose to the General Meeting of Shareholders to approve the selection of an independent auditor to audit SHB's 2023 financial statements as follows:

1. *Approving the selection of one among the four largest auditing firms (big four) in the list of firms allowed to conduct audits listed companies and credit institutions announce by the State Securities Commission and the State Bank of Vietnam to perform the audit of SHB's 2023 financial statements;*
2. *Assign the Board of Directors and members of the Board of Directors to work on a permanent basis to actively evaluate and select an audit firm that meets the criteria stated in this Proposal and direct the Board of Management to sign the audit contract with the selected audit firm to perform the audit and review of SHB's financial statements in the fiscal year 2023.*
3. *Assign the Supervisory Board to supervise the process of auditing and reviewing of SHB's financial statements by the independent auditor, in compliance with the provisions of law.*

Respectfully submitted for approval!

**ON BEHALF OF THE
SUPERVISORY BOARD
HEAD OF THE BOARD**

Pham Hoa Binh