

DEK Technologies Vietnam Salary Exchange Rate Policy

1 Purpose

To clearly define how the exchange rate for salaries in VND will be matched to a United States Dollar at the beginning of each year.

2 Effective Date

This version of the policy is effective from the 1st of January 2018.

3 Principles

The budget of DEK Technologies Vietnam is set at the beginning of each year based on USD. Part of this budgeting includes salary costs.

When carrying out businesses in any country the currency used must be the local currency. The local currency in Vietnam is VND, meaning all expenses, purchases, contracts etc. must be carried out in VND.

There are two exchange rates for any currency pair, the Ask exchange rate and the Bid exchange rate.

The Ask exchange rate is what a forex trader is willing to sell a currency pair for. The Bid exchange rate is what a forex trader is willing to buy a currency pair for. The difference between the Ask and the Bid price is the spread.

When DEK Technologies Vietnam sells USD to buy VND, the exchange rate given by the bank is based on the Bid price. NB. The Ask price represents how many VND it would take to buy USD. i.e. when calculating the conversion from USD to VND the Bid price **MUST** be used.

4 Policy

DEK Technologies Vietnam carries out its salary budget calculations and increases based on USD value and then converts to VND.

The exchange rate is set at the beginning of each financial year, and set for the year.

The source of information used to determine the exchange rate will be shared when announcing the new rate.

DEK Technologies Vietnam passes on the benefit of being able to use a higher than market Bid rate to the staff at the beginning of the year, effectively creating a DEK USD. This means any comparison of salary value in the market must be done using the VND value, it cannot be done on the USD value.

5 **Responsibilities**

Finance to recommend to the General Director what exchange rate should be used for the year.

General Director will set the exchange rate for the year and communicate it to the staff at the beginning of the year if it changes from the previous year.

6 **Reference documents**

N/A