

**VIETNAM PROSPERITY JOINT-  
STOCK COMMERCIAL BANK  
(VPBANK)**

**SOCIALIST REPUBLIC OF VIETNAM**  
*Independenc - Freedom - Happiness*  
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89 Lang Ha - Dong Da – Hanoi  
Corporate Registration number: 0100233583  
Issued for the first time on September 8, 1993  
Amended for the 41st time on November 27,  
2018

*Hanoi, April , 2019*

**DRAFT RESOLUTION**

**VPBANK’S ANNUAL GENERAL MEETING 2019**

1. **Passing of VPBank’s standalone and consolidated financial statements for fiscal year ended December 31, 2018 audited by Ernst and Young Vietnam Ltd.**
2. **Passing of the Business Performance Report 2018 and Action plan 2019 with the following indicators (Annex 01)**

**Business performance 2018:**

No	Indicators	Actual 2018 (VND bil)	Budget 2018 (VND bil)	Actual vs Budget 2018 (%)	Actual 2018 vs 2017 (%)
1	Total asset	323.291	359.477	90%	16.4%
2	Customer deposits and valuable papers issued	219.509	241.675	91%	9.9%
3	Loan balance	230.790	243.320	95%	17.3%
	In particular: customer loans	221.962	229.148	97%	21.5%
4	NPL ratio	2,4%	<3%		
5	Profit before tax	9.198	10.800	85%	13.1%

**Business targets 2019:**

NO.	Indicators (VND bin, %)	2019 Plan	% Growth
1	Total assets	373,649	16%
2	Deposit from customer and valuable paper issued	252,435	15%

3	Credit to customers	265,408	15%
4	NPL (bank single)	< 3%	(N/A)
5	Profit before tax	9,500	Increase 3% compare with 2018 (if exclude one off income from insurance, PBT will increase 14% compare with 2018)

**3. Passing of the Board of Directors' full report (Annex 02)**

**4. Passing of the Supervisory Board's full report (Annex 03)**

**5. Passing of profit distribution plan 2018 (Annex 04)**

Based on the audited standalone and consolidated financial statements 2018, the Board of Directors hereby proposes to the AGM the profit distribution plan 2018 as follows:

No.	Items	Amount (VNDmil)
<b>1</b>	VPBank's consolidated profit after tax (*)	<b>7,355,568</b>
<b>2</b>	Total funds appropriation	<b>3,924,391</b>
2.1	Reserve to supplement charter capital (mandatory) (*)	367,779
	Including	
2.1.1	VPBank's reserve to supplement charter capital	202,997
2.1.2	VPB FC's (FE Credit) reserve to supplement charter capital	164,717
2.1.3	VPB AMC's reserve to supplement charter capital	65
2.2	Financial reserve (mandatory) (*)	735,428
	Including	
2.2.1	VPBank's financial reserve	405,994
2.2.2	VPB FC's (FE Credit) financial reserve	329,434
2.3	Investment and development fund of VPB and VPB FC	2,821,184
3=1-2	Undistributed profits in 2018 after fund appropriation	<b>3,431,177</b>

(\*) Note: figures from audited consolidated financial statements

*VPB FC's Investment and development fund after appropriating will be transfer to VPBank's Investment and development fund.*

To facilitate the distribution of profit and fund in accordance with State Bank of Vietnam's (SBV) policies, it is proposed that the AGM delegate and authorize the BOD to decide on the profit and fund distribution plan 2018 of VPBank and its subsidiaries as per legal regulations and SBV's stipulations.

Passing retaining undistributed profits in the form of retained earning and also not distribute development investment funds; reserve fund to supplement charter capital ... to retain capital for business activities of VPBank.

## **6. Issuance plan of employee stock ownership program of VPBank in 2019 (Annex 5)**

Pursuant to the ESOP 2018, in order to retain talented employees and recognize managers/staff of all levels that have made significant contributions to the Bank, the BOD of VPBank continues to propose the plan for issuing shares at preferential prices to employees in 2019 to the AGM as follows:

**Tentative total number of shares to be sold:** 31,000,000

**Purpose:** to retain talented employees who have made significant contributions to the development and generated profit for the bank.

**Issuance price:** VND 10,000 per share

**Transfer restriction:** Employees who can buy treasury shares at preferential prices are subject to three-year transfer restriction and shall be gradually unlocked as follows: 30% of the shares shall be unlocked after one year; 35% of the shares shall be unlocked after two years; 35% of the shares shall be unlocked after three years from the finalization date of the issuance batch. Other rights associated to such shares (if any) are not subject to transfer restriction. The staff members terminating labour contracts with the bank before the transfer restriction time must sell all restricted shares to VPBank at the preferential price.

**Tentative timing:** Quarter 2/2019 or subject to the implementation of legal procedures.

**Implementation method:** authorize the BOD to implement either of the following two options:

1. Sell current treasury shares of VPBank to employees on the above conditions, which will be implemented in accordance with the provisions of law and submitted to competent authorities for approval.
2. Issue new shares at preferential prices to employees on the above conditions. Under this option, the bank's charter capital shall increase to VND 310 billion (based on the tentative issuance).

To enable BOD to implement this resolution in accordance with legal provisions, it is proposed that the AGM approve the following two separate plans. The BOD of VPBank shall implement either of the plans in line with the ESOP issuance plan 2019 as mentioned above.

### **I. The selling of treasury shares:**

- ✓ Total existing treasury shares: 73,219,600
- ✓ Most recent buyback of shares as treasury stock: July 9, 2018
- ✓ Funding for the buyback (exclusive of transfer fee):

- Capital surplus: VND 1,287,493,637,440
- Investment and development fund: VND 1,201,738,736,848
- ✓ Total number of treasury shares registered for sales: 31,000,000
- ✓ Pricing: preferential pricing for VPBank staff under ESOP, tentatively VND 10,000 per share.
- ✓ Transfer restriction: Employees who can buy treasury shares at preferential prices are subject to three-year transfer restriction and shall be gradually unlocked as follows: 30% of the shares shall be unlocked after one year; 35% of the shares shall be unlocked after two years; 35% of the shares shall be unlocked after three years from the finalization date of the issuance batch. Other rights associated to such shares (if any) are not subject to transfer restriction. The staff members terminating labour contracts with the bank before the transfer restriction time must sell all restricted shares to VPBank at the preferential price.
- ✓ Transaction method: share purchase agreement between VPBank and staff in the eligible list.
- ✓ Ownership transfer: OTC, via Vietnam Securities Depository (VSD)'s ownership transfer system in line with the decision by the State Securities Commission of Vietnam (SSC).
- ✓ Timing: after getting the approval from SSC.
- ✓ Consent and authorization for the BOD:
  - The AGM hereby passes the conversion of preferential shares into common shares and the bank's reacquisition as treasury shares as is the case now (this is the amending contents during the implementation of relevant procedures – if necessary)
  - Delegations and authorizations for the BOD to decide on/complete the items related to ESOP, including but not limited to the following: plan for selling treasury shares, actual number of treasure shares sold in line with staff demand, not exceeding the tentative number of 31,000,000, timing, appointment of the securities company as the agent for the transaction (if necessary); duly conduct the procedures for selling shares, transferring ownership, making securities deposits and additional listing, etc. and decide on relevant issues in line with requirements by the regulatory agencies.
  - Authorization for the BOD to approve the criteria, timing and list of eligible staff; decide on policies/requirements related to ESOP shares; make decisions on policies, regulations, and conditions related to re-purchasing the shares of the leaving staff, including the authorization for the HO Labour Union of VPBank to represent, the conditions on distribution to other staff, the funding for share buyback by the Labour Union, purchase agreement between the bank and the staff and other relevant issues.
  - Authorization for the BOD to delegate authority to the Chairman or the CEO to execute the rights/tasks above.

## **II. Issuance of shares to VPBank staff under Employee Stock Option Program (ESOP)**

- ✓ Share name: Vietnam Prosperity Joint Stock Commercial Bank
- ✓ Type of shares: common
- ✓ Face value: VND 10,000

- ✓ Total shares issued: 2,529,967,966
- ✓ Outstanding shares: 2,456,748,366
- ✓ Quantity of treasury shares: 73,219,600
- ✓ Quantity of shares planned to issue: 31,000,000
- ✓ Issued price: VND 10,000/ share
- ✓ Total issue value by face value: VND 310,000,000,000
- ✓ Ratio of newly issued shares to outstanding shares: 1.262%
- ✓ Transfer restriction: Employees who can buy treasury shares at preferential prices are subject to three-year transfer restriction and shall be gradually unlocked as follows: 30% of the shares shall be unlocked after one year; 35% of the shares shall be unlocked after two years; 35% of the shares shall be unlocked after three years from the finalization date of the issuance batch.
- ✓ Timing: tentatively 2019, after getting approval from the SSC and the State Bank of Vietnam.
- ✓ Eligible buyers: staff of Vietnam Prosperity Joint Stock Commercial Bank as per the criteria and list approved by the BOD.
- ✓ Plan for remaining shares after the issue: the remaining shares shall be subject to the BOD's decision, either to sell to other members of the staff at the price of at least VND 10,000/share or to cancel. Only record the actual number of shares sold.
- ✓ The estimated charter capital after the issuance: VND 25,609,679,660,000
- ✓ Number of shares eligible for foreign buyers: subject to the list of foreign staff members approved by the BOD.
- ✓ The most recent share issuance under ESOP: September, 2018.
- ✓ The plan for using proceeds from the issuance: The total proceeds from the share issuance to staff, tentatively VND 310,000,000,000, will supplement the bank's capital for lending activities.
- ✓ Consent and authorization for the BOD Consent and authorization for the BOD:
  - Delegations and authorizations for the BOD to decide on/complete the items related to ESOP, including but not limited to the following: plan for issuance, actual number of treasury shares sold in line with staff demand, not exceeding the tentative number of 31,000,000, timing, appointment of the securities company as the agent for the transaction (if necessary); duly conduct the procedures for selling shares, transferring ownership, making securities deposits and additional listing, etc. and decide on relevant issues in line with requirements by the regulatory agencies.
  - Authorization for the BOD to approve the criteria, timing and list of eligible staff; decide on policies/requirements related to ESOP shares; make decisions on policies, regulations,

and conditions related to re-purchasing the shares of the leaving staff, including the authorization for the HO Labour Union of VPBank to represent, the conditions on distribution to other staff, the funding for share buyback by the Labour Union, purchase agreement between the bank and the staff and other relevant issues.

- Authorization for the BOD to delegate authority to the Chairman or the CEO to execute the rights/tasks above.

## **7. Agreement on amendment to transfer restriction on shares issued under ESOP in 2018**

-Transfer restriction for issuance plan 2018: 100% of the ESOP shares are subject to three-year transfer restriction from the finalization date of the issuance.

-Amended restriction: the ESOP shares are subject to three-year transfer restriction and shall be gradually unlocked with the ratio as follows: 30% of the ESOP shares shall be unlocked after one year; 35% of the ESOP shares shall be unlocked after two years; 35% of the ESOP shares shall be unlocked after three-year from the finalization date of the issuance. Other conditions remain unchanged.

The BOD is responsible for finalizing the documents and procedures with competent agencies on the issuance, transaction date registration, etc. for the shares of staff when the transfer restriction time is over as per the above amendment at corresponding periods of time.

## **8. Passing of remuneration and operating budget 2019 of VPBank's Board of Directors and Supervisory Board as follows:**

- 0.5% x consolidated profit before tax.

This formula for calculating operating budget shall be adopted from 2019 onward, except otherwise supplemented or amended by other AGM's resolutions.

## **9. Passing of the plan for raising charter capital 2019 (Annex 6)**

### **I. Plan for raising charter capital by issuing shares to VPBank staff under Employee Stock Option Program (ESOP)**

- ✓ Share name: Vietnam Prosperity Joint Stock Commercial Bank
- ✓ Type of shares: common
- ✓ Face value: VND 10,000
- ✓ Purpose: to retain talented employees who have made significant contributions to the development and generated profit for the bank.\
- ✓ Quantity of shares planned to issue: 31,000,000
- ✓ Issued price: VND 10,000/ share
- ✓ Total issue value by face value/the increase in charter capital: VND 310,000,000,000
- ✓ Transfer restriction: Employees who can buy treasury shares at preferential prices are subject to three-year transfer restriction and shall be gradually unlocked as follows: 30% of the shares shall be unlocked after one year; 35% of the shares shall be unlocked after two

years; 35% of the shares shall be unlocked after three years from the finalization date of the issuance batch.

- ✓ Timing: tentatively 2019, after getting approval from the SSC and the State Bank of Vietnam.
- ✓ Eligible buyers: staff of Vietnam Prosperity Joint Stock Commercial Bank as per the criteria and list approved by the BOD. Not sold to non-executive members of the BOD.
- ✓ Plan for remaining shares after the issue: the remaining shares shall be subject to the BOD's decision, either to sell to other members of the staff at the price of at least VND 10,000/share or to cancel. Only record the actual number of shares sold.
- ✓ The plan for using proceeds from the issuance: The total proceeds from the share issuance to staff, tentatively VND 310,000,000,000, will supplement the bank's capital for lending activities.

## II. Plan for raising charter capital by private placement

- **Purpose:** supplement the owner's equity, serving the operation and needs of growth of the bank.
- **Type of shares:** common
- **Face value:** VND 10,000/share
- **Maximum offer:** Around 260 million shares. The specific number of shares issued shall be calculated at the time of issuance to lift the ratio of foreign ownership/charter capital to the maximum of 30%.
- **Implementation method:** Private placements to local and/or foreign investors.
- **Eligible buyers:** less than 100 local and/or foreign investors who meet the requirements to purchase shares issued by a Vietnam credit institution as per applicable laws.
- **Price:** to be determined by book building or other suitable methods, striving for the ultimate goal of bringing efficiency for the bank.
- **Number of placement in the year:** 01.
- **Execution:** within the period of 2019-2020. Specific timing shall be subject to the market's conditions and procedures stipulated by laws.
- **Restriction time:** at least 1 year as stipulated by laws.
- **The proceeding from such placement** shall be invested in fixed assets and supplementing middle-and-long-term capital of VPBank.
- The BOD is assigned to decide on the implementation after completing the procedures with competent agencies as per applicable laws.
- The placement method is not applicable to BOD, Supervisory Board and CEO of VPBank.
- Note: Investors purchasing shares of VPBank in such private placement are responsible to their source of funding. VPBank's BOD takes no responsibility in examining the investors' source of funding.

Assuming VPBank’s success in issuing 31,000,000 shares under ESOP and 260,000,000 shares from the placement ,the increase of charter capital is estimated as follows:

<b>Item</b>	<b>Before</b>	<b>After</b>
<b>Total shares</b>	2,529,967,966	2,820,967,966
Charter capital (VND)	25,299,679,660,000	28,209,679,660,000

**The plan to use capital surplus:**

Apart from enhancing financial capability and ensuring prudential ratios, VPBank plans to use the capital surplus to raise mid- and long-term capital to serve credit growth. Passing the proposed business plan corresponding to the capital increase plan attached.

**Additional depository registration and listing of additional shares issued:**

After raising charter capital by taking the above actions, VPBank shall conduct additional depository registration for all the additional shares issued with Vietnam Securities Depository and supplemental listing of all the new shares at Ho Chi Minh Stock Exchange.

**Changing the share ownership ratio of the Board of Directors, Supervisory Board, and CEO:**

Appendix attached to the plan to increase capital

**Agreement on contents related to capital raise and authorized tasks to the BOD for all batches:** To facilitate the aforementioned processes of raising charter capital, the AGM delegates and authorizes the BOD to perform the following tasks:

- Authorization for the BOD to approve the criteria, timing and list of eligible staff; decide on policies/requirements related to ESOP shares; make decisions on policies, regulations, and conditions related to re-purchasing the shares of the leaving staff, including the authorization for the HO Labour Union of VPBank to represent, the conditions on distribution to other staff, the funding for share buyback by the Labour Union, purchase agreement between the bank and the staff and other relevant issues.
- The BOD is authorized to decide on specific time to implement of raising capital, depending on the procedures/time approved by competent agencies, the actual situation of the Bank, and negotiations with other relevant parties.
- Decide on the foreign ownership ratio/charter capital of the bank (if necessary) that is suitable to and beneficial for the actual situation of each period of issuance/distribution and implement supplementation/registration procedures with competent agencies.



- Decide on the offer price, negotiation plans, plans on conducting buying/selling transactions, criteria for selecting investors and the selection of particular investors to offer for sale during private placement.
- Decide on the raised/issued amount of charter capital/shares in comparison with the estimated figures in the aforementioned charter capital raising plan as a result of performing the following tasks: (i) sell treasury share/ sell preretail price under ESOP, (ii) results of private placements to investors, ...
- Decide on continuing to carry out capital raise plans in 2020 or adopting appropriate measures on the basis of actual situations and for the interest of shareholders in case VPBank fails to raise its charter capital in 2019.
- Decide on signing contracts, transaction materials, and related documents to carry out the aforementioned capital raises.
- Implement the procedures required for raising charter capital as stipulated by the law (including procedures of certificate and Charter amendment, business registration, depository registration and supplemental listing of all shares issued, and other relevant ones), decide on amending, supplementing and finalizing all issues and contents of the plan for raising charter capital (including contents which have not been stated in plan), and finalize other documents required for raising charter capital.
- Authorization for the BOD to delegate authority to the Chairman or the CEO to execute the rights/tasks above

**10. Agreeing on several guidelines and task delegation and allocation to the Board of Directors as follows (Annex 07):**

- 10.1 Agree on the plan to establish or acquire subsidiaries and affiliated companies in order to conduct the permitted business lines according to the provisions of law and relevant guidelines, including but not limited to the following business: finance leasing; insurance, etc. or opportunities to associate, merge or contribute capital or other forms of businesses with other credit institutions in compliance with the provisions of law and according to the practical conditions of the Bank. Authorize the Board of Directors to decide on the specific cases.
- 10.2 Agree on the plan to buy, sell, split up, spin off, merge, integrate, convert legal forms of business, dissolve or initiate bankruptcy procedures of the Bank's subsidiaries if necessary and beneficial to the Bank and its subsidiaries. To authorize and delegate the BOD to perform all tasks related to this plan in compliance with the provisions of law and the Bank's direction, for the best interest of the Bank and its subsidiaries.
- 10.3 Agree on the plan for deposit transactions between the bank and VPBank Finance Company to meet the business corporation demand and in line with the stipulated law. To authorize the BOD to decide on the deposit transactions and contracts valued at more than 20% of the bank's charter capital at the bank's subsidiaries.
- 10.4 Authorize and delegate the BOD to decide on issues under the power of the owners of the Bank's subsidiaries.
- 10.5 Authorize and delegate the BOD to decide on organizational structure and managerial and

executive apparatus of the Bank, the bank’s brand and image usage and management, etc.

10.6 Authorize and assign the Board of Directors to decide on solutions to tackle major financial volatilities of the Bank,

10.7 Agree on the raise of ownership stake of foreign investors up to the maximum level of 30% of the Bank’s charter capital after the private placement to domestic and foreign investors in 2019 (It is agreed that there shall be no adjustment in the foreign stake compared to the bank’s charter capital for other placements). To authorize the BOD to decide on specific ratios suitable to the actual situations and most beneficial to the Bank; and to carry out the adjustment/registration procedures with competent agencies (if any).

**11. Passing of amendments and supplements to VPBank’s operating licence (Annex 08)**

- (i) Continue trying to obtain licence for the business activities already proposed to the SBV and obtain licence for new/additional business activities in VPBank’s operating licence.

NO.	ACTIVITIES
<b>I. Business activities proposed for licence grant from the SBV</b>	
1	Provide commodities derivatives products
2	Structured deposit
3	Entrustment in payment services
<b>II. Business activities proposed to supplement to VPBank’s Operating Licence</b>	
1	Trade, provide derivatives products concerning FX, interest, currency and other financial asset in domestic and foreign markets
2	Bond issuing agent

**Assign the following tasks to the Board of Directors:**

- ✓ Decide on related issues when making amendments and supplements to the Licence under point 2 above including supplementation, clarification, and revision in compliance with legal regulations, the SBV’s requirements, and actual situation.
- ✓ Decide on and register with/submit to the SBV and governmental authorities the amendments and/or supplements to Licence under Item 2 above.
- ✓ Decide on and submit to competent agencies the supplements and amendments to Licence on Establishment and Operations of VPBank and information about shareholders, charter capital and other related information upon changes to VPBank’s Certificate of Business Registration,
- ✓ Decide on the registration of amended and supplemented business activities in Licence on Establishment and Operations of VPBank under item 2 stated above when amendments and supplements must be made in accordance with legal regulations, requirements of competent

state agencies and/or according to actual situations

**12. Passing of revised Charter of VPBank and task delegations to the Board of Directors (Annex 09) as follows:**

- ✓ Passing of the amendments and supplements to VPBank's Charter included in attached document. (ANNEX 09)
- ✓ Delegation for the BOD to decide on issues related to the amendments and supplements to VPBank's Charter in line with paragraph 1 above, including the addition, clarification and revision of the contents and rearrangement of the articles, clauses and points in accordance with legal regulations and actual situation.
- ✓ Delegation for the BOD to decide on issues related to the application/ submission for amendments and supplements to VPBank's charter regarding the 2 above paragraphs to the SBV and relevant authorities.

**13. Passing of draft Regulations on the Operation of the Board of Directors (Annex 10)**

- ✓ Passing of the amendments to the Regulation on the Organization and Operation of the Board of Directors included in the attached Annex 09.
- ✓ Delegation for the BOD to decide on issues related to the amendments and supplements to the Regulation on the Organization and Operation of the Board of Directors in line with paragraph 1 above, including the addition, clarification and revision of the contents and rearrangement of the Articles, clauses and points in accordance with legal regulations and actual situation.
- ✓ Delegation for the BOD to review and decide on the amendments and supplements to Regulation on the Organization and Operations of the Board of Directors if necessary to align with actual situation and ensure management and governance efficiency during the interval between two AGMs.

**14. Passing of draft Regulation on the Operation of the Supervisory Board (Annex 11).**

- ✓ Passing of the amendments to the Regulation on the Organization and Operation of the Supervisory Board included in the attached document.
- ✓ Delegation for the BOD to decide on issues related to the amendments and supplements to the Regulation on the Organization and Operation of the Supervisory Board, including the addition, clarification and revision of the contents and rearrangement of the Articles, clauses and points in accordance with legal regulations and actual situation.
- ✓ Delegation for the Supervisory Board to review and decide on the amendments and supplements to the Regulation on the Organization and Operation of the Supervisory Board if necessary to align with actual situation during the interval between two AGMs.

**14.** Agreeing on addition number member of Supervisory Board and election of additional for the period 2015-2020 members included in the attached Annex 12.

**PP/ BOARD OF DIRECTOR**

**CHAIRMAN**

**Ngo Chi Dzung**