

ANNEX 10.

**PROPOSAL ON THE AMENDMENT OF
REGULATION ON THE ORGANIZATION AND OPERATIONS OF THE BOARD OF DIRECTOR (BOD)**

Attention: ANNUAL GENERAL MEETING OF VPBANK

Regulation on the Organization and Operations of the BOD of VPBank was developed on the basis of VPBank's Charter and was passed by Annual General Meeting 2018. VPBank's effective charter was developed on the basis of Law on Credit Institutions 2010 and guiding documents.

On May 18, 2018, the State Bank of Vietnam issued Circular 13/2018/TT-NHNN dated May 18, 2018 on internal control systems of commercial banks and foreign banks' branches. On March 12, 2018, the government issued Decree 42/2018/NĐ-CP regarding the termination of the Government's Decree 59/2009/ND-CP dated July 16, 2009 on the Organization and Operations of Commercial Banks. Therefore, the bank has amended some points in the Charter in line with those changes.

Accordingly, as the Charter has been amended, Regulation on the Organization and Operations of the BOD also has to be reviewed and amended in line with the regulation of VPBank Charter.

For the above reasons, it is proposed that the AGM pass the following resolutions on the amendment and supplement of Regulation on the Organization and Operations of the BOD:

1. Approve the amendment of Regulation on the Organization and Operations of the BOD, including amended items and the full text of the regulation with the amended points integrated with the original document.
2. Assign the BOD to decide on related issues when making amendments and supplements to Regulation on the Organization and Operations of the BOD as mentioned in paragraph 1 above, including the addition, clarification, revision and re-ordering of items in line with legal regulations and actual situation.
3. Assign the BOD to review, amend, and supplement the Regulation on Organization and Operations of the BOD, if necessary in line with the actual situation and to ensure the managerial and operational efficiency of VPBank.

Recipients:

- *Annual General Meeting*
- *The BOD office (for filing)*

**P.P BOARD OF DIRECTORS
CHAIRMAN**

**(signed)
Ngo Chi Dzung**

PROPOSED AMENDMENT AND SUPPLEMENTATION

I. DEFINITIONS AND ABBREVIATIONS:

1. **Enterprises Law:** 1. Enterprises Law No. 68/2014/QH13 passed by the National Assembly on November 26, 2014;
2. **Law on Credit Institutions (CI):** Law on Credit Institution No. 47/2010/QH12 dated June 16, 2010 of the National Assembly;
3. **Law on amending and supplementing Law on Credit Institutions:** the Law amends and supplements a number of articles of the Law on Credit institutions No. 17/2017/QH14 dated 20 November 2017
4. **Decree 59:** Decree No. 59/2009/ND-CP on the organization and operations of commercial banks dated 16 July 2009;
5. **Circular 13:** Circular 13/2018/TT-NHNN dated May 18, 2018 on internal control systems of commercial banks and foreign banks' branches;

Note: In the following table:

- The items removed from Regulation on the Organization and Operations of the BOD are UNDERLINED in “Current regulation” column below.
- The proposed amendments and supplements to effective Regulation on the Organization and Operations of the BOD are written in *ITALIC* in “Proposed Amendments” column below.

II. AMENDMENTS AND SUPPLEMENTS OF THE REGULATION ON ORGANIZATION AND OPERATIONS OF THE BOD:

No.	Amended articles/ clauses	Current regulation	Proposed amendments	Reasons for amendments and supplementation
1.	Article 2, Composition, structure and term of office of the Board of Directors (Clause 8.)	8. The BOD can set up councils and committees to assist it in performing its tasks and powers, specifically: The BOD must set up at least two committees which are risk management committee and HR committee and formulate a regulation on making decisions on proposals from those committees. Each committee must have at least three members including a chair being a BOD member and two other members who are appointed or relieved from duty by the	8. The BOD can set up councils and committees to assist it in performing its tasks and powers, specifically: <i>The BOD must set up at least two committees which are Risk Management committee and HR committee and formulate a regulation on making decisions on proposals from those committees. Each committee must have at least three members including a chair being a BOD member and two other members who are appointed or relieved from duty by the BOD.</i>	To comply with Point a, Clause 1, Article 19 of Circular 13

		BOD. A BOD member can be a chair of only one committee, Risk management committee must have at least one member being an independent BOD member.	<i>Each committee must have at least one-half (1/2) of the voting members being non-executive. A BOD member can be a chair of only one committee, Risk management committee must have at least one member being an independent BOD member.</i>	
2.	Article 4: BOD meeting protocol (Point a, Clause 9)	<p>a) Minutes of BOD meetings must be made in writing and discretionally in electronic formats, e.g. audio, visual, image records. The key mandatory contents of the minutes include:</p> <p>.....</p> <p>- Full names and signatures of the chair of the meeting and <u>the meeting compiler and in-person attendees. In-person attendees must cite the reasons if they do not sign in the minutes, otherwise their votes on the issues raised at the meeting shall become invalid. Attendees via teleconference or videoconference must sign in the meeting minutes within 07 working days after the meeting date. All in-person attendees must sign directly in the meeting minutes..</u></p>	<p>a) Minutes of BOD meetings must be made in writing and discretionally in electronic formats, e.g. audio, visual, image records. The key mandatory contents of the minutes include:</p> <p>.....</p> <p><i>-Full names and signatures of the chair of the meeting and the meeting compiler.</i></p>	To comply with Article 154 of Business Law.
3.	Article 5. Collection of written ballots from BOD members	<p>Article 5. Collection of written ballots from BOD members</p> <p>1. The BOD Chairperson shall decide the collection of written opinions from BOD members.</p>	<p><i>Article 5. Collection of written ballots from BOD members</i></p> <p><i>1. The BOD Chairperson shall decide the collection of written opinions from BOD members or authorize another member of the BOD to chair the collection of written opinions.</i></p>	<p>This content is recorded in Charter as stipulated in Article 51 of the Decree 59.</p> <p>Decree 59 was terminated. This</p>

		<p>2. BOD assistant team shall prepare written opinion forms and other necessary documents related to contents for opinion. Written opinion forms and attached documents must be sent by secured methods to the contact address of each BOD member (including the method of sending an electronic email to email address of BOD members).</p> <p>3. The written opinion form must contain the following key contents:</p> <p>a) Name, head office’s address, number and date of Establishment and Operation License, Business Registration Certificate of VPBank.</p> <p>b) Purpose of collecting written opinions;</p> <p>c) Full name and contact address of BOD members</p> <p>d) Issues on which written opinions shall be collected.</p> <p>e) The plan for voting, including: agreement, disagreement and abstention</p> <p>f) Deadline for sending completed opinion forms to VPBank.</p> <p>g) Full name and signature of the BOD chairperson.</p> <p>4. The completed opinion forms must be signed by BOD members and sent back to</p>	<p><i>2. BOD assistant team shall prepare written opinion forms and other necessary documents related to contents for opinion. Written opinion forms and attached documents must be sent to BOD members via methods/tools approved by VPBank’s policy and internal control process, including but not limited to physical documents, emails, document management system/tool, electronic workflow, etc. from time to time.</i></p> <p><i>3. Members of the BOD shall vote by choosing one of three options as follows: Agree; Disagree; Other comments together with Agree or Disagree (with detail comments, if any)</i></p> <p><i>4. The BOD assistant team shall consolidate opinions of the BOD members within two (2) days since the day the voting documents sent to the BOD members. Any members not sending their written votes or sending written votes after the stipulated time shall be deemed as Agree.</i></p> <p><i>5. Voting result enclosed with resolutions and decisions of the BOD, which are passed upon vote checking results, must be sent to BOD members within fifteen (15) days since the date of vote counting completion</i></p> <p><i>6. A decision which is passed through the collection of written opinions from BOD members shall have the same validity as a decision passed in a BOD meeting.</i></p>	<p>provision aims at simplifying the procedures, and templates of collecting the BOD’s written opinions via ballots.</p>
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		<p>VPBank in accordance with the Bank’s regulation.</p> <p>5. The BOD’s assistant team shall tally votes and draw up vote-counting minutes under the supervision of at least one independent BOD member or a member of the Supervisory Board. The vote-counting minutes must contain the main following contents:</p> <ul style="list-style-type: none"> a) Name, head office’s address, number and date of issue of Establishment and Operation License, Business Registration Certificate of VPBank b) Purposes and issues on which written opinions shall be provided. c) The total number of votes sent, the total number of votes collected, the number of valid votes, the number of invalid votes. The minutes must include appendix of the list of BOD members who voted. d) The total number of “for” votes, “against” votes and “abstention” votes on each issue to be asked for opinion; e) Full names and signatures of the vote checker and supervisor. <p>6. The BOD’s assistant team who take part in collecting written opinions from the BOD members, and vote-counting supervisor shall take joint responsibility for the truthfulness and accuracy of the vote-counting minutes,</p>		
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		<p>take joint responsibility for any damages arising from decisions which are ratified due to untruthful and inaccurate vote counting.</p> <p>7. Voting result minutes enclosed with resolutions and decisions of the BOD, which are passed upon vote checking results, must be sent to BOD members within fifteen (15) days since the date of vote counting completion.</p> <p>8. Completed written opinion forms, the minutes of vote-counting, the whole decision which was passed and any related documents attached with written opinion forms shall be stored at the head office of VPBank.</p> <p>9. A decision which is passed through the collection of written opinions from BOD members shall have the same validity as a decision passed in a BOD meeting.</p>		
4.	Article 8. Responsibilities and powers of the BOD	<p>b) Make decisions on organizational structure of Internal Audit (upon proposals from the Supervisory Board), branches, subsidiaries, representative offices, non-business units of VPBank.</p> <p>e) Approve the plan of capital contribution to, purchase of shares from other enterprises or credit institutions, and plans for external transfer of such investment capital valued at less than 20% of VPBank's charter capital stated in the latest audited financial statement. The BOD may delegate authority to make specific decisions within this scope in</p>	<p><i>Removing Point b)</i> <i>Supplementing Point d)</i> <i>d) Approve the plan of fund mobilization, usage, preservation and development in the scope of authorization complying with Law of Credit Institution and other related legal documents;</i> <i>Separate Point e into point e and point f</i> <i>e) Approve the plan of transferring fund valued at less than 20% of the bank's charter capital recorded in the latest audited financial statement.</i> <i>f) Approve the plan of capital contribution and share buying of the enterprises and other credit institutions valued at less than 20% of the bank's charter capital recorded in the latest</i></p>	<p>Amending point d,e,f to comply with Article 33, Decree 93; Supplementing Point i, to comply with regulation stipulated in point h, Clause 2, Article 149 of Business Law. Amending to comply with the Charter.</p>

		<p>accordance with internal regulations of VPBank.</p> <p>o) Make submissions to the Governor of the State Bank for approval or ratification of issues in accordance with applicable laws.</p>	<p><i>audited financial statement.</i> The BOD may delegate authority to make specific decisions within this scope in accordance with internal regulations of VPBank.</p> <p><i>o) Asking Governor of the State Bank of Vietnam to approve the issues in accordance with the stipulated law.</i></p> <p><i>Supplementing point i, dd) and point ee)</i></p> <p><i>i) Approve lending and borrowing contracts valued equal to or more than 35% of the total asset recorded in the latest VPBank's financial statement. This regulation is not applied to the contracts and transactions stipulated in Clause 1 and Clause 2, Article 34 of the charter of VPBank. The BOD may delegate authority to make specific decisions within this scope in accordance with internal regulations of VPBank.</i></p> <p><i>cc) Approve the annual financial plan as requested by the CEO.</i></p> <p><i>dd) Approve the annual financial statement of the independent member of VPBank.</i></p>	
5.	Article 9. Tasks and powers of the BOD Chairman (Clause 2.j)	Move from Clause 6, Article 10 about the Full-time responsibilities of some BOD members	<p>Supplementing point j)</p> <p><i>j) Convene extraordinary AGM in accordance with provisions of the Bank's Charter and the law;</i></p>	According to Decree 59, members of the BOD have rights to convene extraordinary meetings of the AGM. However, Decree 59 was terminated; this right shall be shifted to Chairman of the BOD.
6.	Article 10. Tasks and powers of BOD members (Clause 2, 3 and	<p>1. <u>Manage VPBank together with other members in accordance with provisions of applicable laws and VPBank's Charter.</u></p> <p>2. <u>Study</u> financial reports prepared by independent auditors, give opinions or request managers, executives of VPBank,</p>	<p>Removing Clause 1.</p> <p>2. <i>Reviewing</i> financial statements audited by independent auditors, give opinions or request managers, executives of VPBank, independent and internal auditors to explain issues related to these statements.</p>	- Removing Clause 1 due to the termination of Decree 59, and Law on Credit Institutions do not include this provision.

	4)	<p>independent and internal auditors to explain issues related to these statements.</p> <p>3. Elect, relieve from duty and remove from office the Chairperson of the Board of Directors.</p> <p>4. <u>Make a request</u> to the BOD Chairperson to convene extraordinary meetings of the BOD in accordance with provisions of the Bank's Charter and the law.</p> <p>5. Request to convene extraordinary AGM meetings in accordance with provisions of the Bank's Charter and applicable laws.</p>	<p>3. Elect, relieve from duty and remove from office the <i>position</i> of Chairperson of the Board of Directors.</p> <p>4. <i>Asking</i> the Chairman of the BOD to convene extraordinary meetings of the BOD in accordance with provisions of the Bank's Charter and the law.</p> <p>Turn Clause 6 into point j, Clause 2, Article 9.</p>	<p>- Amending wording in Clause 2, 3 and 4 to comply with provisions of Article 65 of Law on Credit Institutions.</p>
7.	Article 17. Suspension and temporary suspension	<p>1. In case VPBank is placed under special control, the Special Supervisory Board formed by the State Bank of Vietnam has the right to suspend, temporarily suspend the exercise of tasks and powers of the Chairperson and members of the BOD if necessary.</p> <p>2. In case the Chairperson and members of the BOD violate provisions stipulated in Article 15 of this regulation, provisions on VPBank's Charter and/or legal regulations in their exercise of assigned tasks and powers, the State Bank of Vietnam has the authority to suspend, temporarily suspend the exercise of tasks and powers of such violators if considered necessary.</p> <p>3. The Chairperson and members of the BOD of VPBank can be suspended, temporarily suspended from exercising their tasks and powers according to decisions of law</p>	<p><i>1. State Bank of Vietnam has the right to suspend and temporarily suspend the exercise of rights and responsibilities of the Chairperson and members of the BOD, Head and members of the Supervisory Board, executives of VPBank violating provisions stipulated in Article 27 of VPBank Charter, other related legal regulations in their exercise of assigned rights and responsibilities; request competent authorities to relive from duty, elect and appoint or assign the replaced person if necessary.</i></p> <p><i>2. If deem necessary, the ad hoc Supervisory Board has the right to suspend and temporarily suspend the exercise of rights and responsibilities of the Chairperson and members of the BOD, Head and members of the Supervisory Board, executives of VPBank who were put under special control.</i></p> <p><i>3. Persons who are suspended or temporarily suspended from exercising their tasks and powers under provisions of this Article must be</i></p>	<p>Amending to comply with Article 37 of Law of Credit Institutions.</p>

		<p>enforcement agencies.</p> <p>4. Persons who are suspended or temporarily suspended from exercising their tasks and powers under provisions of this Article shall be responsible for participating in handling pending problems and violations related to their personal liability when so requested by the State Bank of Vietnam, the BOD and the Supervisory Board of VPBank or the Special Supervisory Board.</p>	<p><i>responsible for participating in handling pending problems and violations related to their personal liability when so requested by the State Bank of Vietnam, the BOD and the Supervisory Board of VPBank or the ad hoc Supervisory Board.</i></p>	
8.	<p>Article 18. Automatic loss of status (Clause 1c,1d,1e)</p>	<p>1. Cases of automatic loss of status of a BOD member</p> <ul style="list-style-type: none"> c) The legal status of a shareholder being the organization where the person is the representative of contributed capital terminates. d) The status as an authorized representative terminates. e) Be expelled from the territory of the Socialist Republic of Vietnam by Court. 	<p>1. Cases of automatic loss of status of a BOD member:</p> <ul style="list-style-type: none"> <i>c) Representative of contributed capital of an organization being a shareholder of VPBank when legal status of that organization was terminated;</i> <i>d) No longer being the representative of the contributed capital as per authorization of organizational shareholder;</i> <i>e) Be expelled from the territory of the Socialist Republic of Vietnam;</i> <p><i>2. The BOD of VPBank must send a report enclosed with documents evidencing a holder's automatic loss of his/her post under Clause 1 of this Article to the State Bank of Vietnam within 05 working days after finding out such loss, take responsibility for the accuracy and truthfulness of this report; and carry out procedures to elect and appoint holder of the vacant post under law.</i></p> <p><i>5. After a member of the BOD automatically lost his/her membership status or post, he/she must still be liable for his/her decisions during his/her</i></p>	<p>Amending to comply with Article 35 of Law of Credit Institutions.</p>

			<i>term of office.</i>	
9.	Article 19. Dismissal, relief from duty	<p>1. BOD Chairperson and members shall be relieved from office or dismissed in one of the following cases:</p> <p>d) Fail to meet requirements on independence of an independent BOD member;</p> <p>7. <u>The Chairperson and members of the Board of Directors, after being dismissed, relieved from duty, must still be liable for his/her decisions that are against the law and VPBank’s Charter or intentional wrongdoings during his/her term of office.</u></p>	<p>1. BOD Chairperson and members shall be relieved from office or dismissed in one of the following cases:</p> <p><i>d) an independent BOD member fails to meet the requirements on independence;</i></p> <p><i>7. After being dismissed, relieved from duty, the Chairperson and members of the Board of Directors must still be liable for his/her decisions during his/her term of office.</i></p>	Amending to comply with Article 36 of Law of Credit Institutions.