

No.: /2024/QC-HĐQT

Ha Noi,

2024

## **REGULATION ON THE ORGANIZATION AND OPERATIONS OF THE BOARD OF DIRECTORS**

### **THE BOARD OF DIRECTORS**

- Pursuant to the Law on Credit Institutions No. 32/2024/QH15 passed by the National Assembly of the Socialist Republic of Vietnam on January 18, 2024 and documents guiding the implementation of this Law ("Law on Credit Institutions");
- Pursuant to the Law on Enterprises No. 59/2020/QH14 passed by National Assembly of the Socialist Republic of Vietnam, XIV session on June 17, 2020;
- Pursuant to the Charter of Vietnam Prosperity Joint Stock Commercial Bank (VPBank Charter);
- Pursuant to the Resolution of the VPBank's Annual General Meeting 2024 No. /2024/NQ-DHĐCĐ-VPBank dated April , 2024.

### **REGULATES:**

#### **CHAPER I**

### **ORGANIZATIONAL STRUCTURE AND OPERATIONS OF THE BOARD OF DIRECTORS**

#### **Article 1. Position and Roles of the Board of Directors**

The Board of Directors ("BOD") is the governing body of VPBank, which has full powers to make decisions and exercise powers and obligations in the name of VPBank except for those under the authority of the Annual General Meeting ("AGM").

#### **Article 2. Composition, structure and term of office of the BOD<sup>1</sup>**

1. VPBank's BOD shall consist of at least 05 (five) members and no more than 11 members with the specific number of members being decided by the AGM. The Board of Directors must have at least one-half (1/2) of its total members as independent members and non-executive members of VPBank; Since the BOD term of 2025, the BOD must have at least 02 (two) independent members and two thirds of the members (2/3) must be independent members and non-executive members of

<sup>1</sup> Article 69, Article 50, Law on Credit Institutions 2024; Clause 1, Article 9, Circular 13/2018/TT-NHNN

VPBank.

2. An individual and his/her affiliated persons or representatives of the contributed capital of an institutional shareholder and their affiliated persons are entitled to act as BOD members but not have more than 02 BOD members unless they are representatives of the State's contributed capital or mandatory transfer party.
3. The term of the BOD is 05 (five) years. The term of BOD members follows the term of the BOD. A member of the Board of Directors may be re-elected for an unlimited number of terms. An individual may only be elected as an independent member of VPBank's Board of Directors for no more than two (02) consecutive terms<sup>2</sup>. The term of an additional or replacement BOD member is the remaining term of the BOD. The BOD of the previous term shall operate until the BOD of the new term takes over its work. In the event that all members of the Board of Directors end their terms at the same time, such members shall continue to be members of the Board of Directors until new members are elected and take over its work<sup>3</sup>.
4. In case the number of BOD members is less than minimum number of members regulations in Clause 1 of Article 69 of the Law on Credit, within 90 days of not having the required minimum number the BOD must convene an AGM to elect additional members of BOD members according to regulations, except the case in Clause 5 of Article 166 of the Law on Credit Institutions.
5. The BOD shall use the stamp of VPBank to perform its tasks and powers.
6. The BOD shall be assisted by an assistant team (hereinafter referred to as "Assistant Team"). The functions and tasks of Assistant Team are stipulated by the BOD.
7. The BOD shall be entitled to establish councils and committees to perform its tasks and powers, particularly:

The BOD shall set up at least two committees, i.e. Risk Management Committee and Human Resource Committee, and formulate a regulation on decision-making on such committees' proposals. Each committee must ensure its human resources structure in accordance with legal regulations.

The BOD shall set out regulations, functions, tasks and powers of the aforementioned committees and other committees and councils according to applicable laws.

### **Article 3. Decision-making by the BOD<sup>4</sup>**

1. The BOD shall make decisions by voting at meetings, by ballots, in online meetings, by electronic ballots or by other electronic means according to VPBank's regulations from time to time<sup>5</sup>. Each BOD member has a vote.

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<sup>2</sup> Article 154 Law on Enterprises; Clause 2 Article 26 of the Model Charter issued with Circular 116/2020/TT-BTC

<sup>3</sup> Clause 3 Article 154, Law on Enterprises

<sup>4</sup> Clause 3, Article 153 and Clause 12, Article 157 of Law on Enterprises No 59/2020/QH15 ("Law on Enterprises")

<sup>5</sup> Point c, Clause 9, Article 157, Law on Enterprises.

2. In the case of decision-making by voting at meetings, BOD decisions shall be ratified if voted in favour by the majority including attending members and those not attending but voting by ballots. In the event of equal number of votes, the BOD Chairperson or the chairperson of the meeting shall have the casting vote (in case the BOD Chairperson does not convene the meeting)<sup>6</sup>.
3. In case of voting by ballots, the BOD's decision shall be ratified if the majority of voting BOD members vote in favour.
4. In case of sending voting ballots to a meeting by mail, the voting ballots must be contained in a sealed envelope and sent to the BOD Chairperson no later than one (01) hour before the meeting begins. The voting ballots must be opened in the presence of all meeting attendees<sup>7</sup>.

#### **Article 4. The BOD's meeting protocol<sup>8</sup>**

1. The BOD may hold periodic or extraordinary meetings. Periodic meetings of the BOD shall be convened by the BOD Chairperson any time if considered necessary but at least one meeting every quarter. The BOD can have meetings at VPBank's Head office or other venues. The BOD's meetings can be offline or via teleconference for example over the phone) or video conference or other electronic methods, on the condition that (in the case of online meetings (, video conference or other electronic means)) each attending member can: (a) hear what each of the other BOD members in attendance says; and (b) voice opinions to all other members in attendance simultaneously, if he/she wishes to. The venue of an online meeting shall be where the meeting chairperson is present.
2. The first meeting of the BOD's term of office must be held within 07 (seven) working days of finishing the election of the BOD for that term. This meeting shall be convened and chaired by the member who obtains the highest number of votes or the highest percentage of votes. If more than one member obtains equally the highest number of votes or the highest percentage of votes, the members shall elect by a majority vote to select a person amongst them to convene the meeting. In this meeting, the BOD Chairperson shall be elected and other decisions under the BOD's authority shall be made.
3. The BOD Chairperson shall convene a BOD meeting in the following circumstances:
  - a) At the request of the Supervisory Board (SB) or independent BOD member(s);
  - b) At the request of the CEO or at least five other managers;
  - c) At the request of at least two members of the BOD;
  - d) In other circumstances as stipulated in the Charter of VPBank and related legal regulations.
4. The request must be made in writing and must specify the objectives and issues to be

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<sup>6</sup> Clause 12, Article 157, Law on Enterprises

<sup>7</sup> Clause 10, Article 157, Law on Enterprises

<sup>8</sup> Article 157, Law on Enterprises

discussed, and decisions within the authority of the BOD. The Chairperson must convene a BOD meeting within a time-limit of seven working days from the date of receipt of a request. If the Chairperson fails to convene a BOD meeting pursuant to a request, the Chairperson shall be liable for loss caused to VPBank; the person making the request has the right to convene a BOD meeting in place of the BOD.

5. The BOD Chairperson or the convener shall send meeting invitations and materials to BOD and the members of the Supervisory Board in the same manner with the BOD members. The convener of the BOD meeting must send the meeting invitations at least 03 (three) working days prior to the date of meeting. The invitation must specify the meeting time and venue, the agenda and issues to be discussed and decided on. The invitations must enclose documents to be used at the meeting and voting ballots for the members. The invitations can be sent in writing, over the phone, by fax, via electronic mail, through electronic medium or by other means and must reach the contact address of each BOD member as registered at VPBank. In the event of urgency, the convener shall be entitled to send the invitations (01) one working day prior to the date of meeting; related materials can be sent to members at the meeting.
6. A BOD meeting shall be conducted when three-quarters (3/4) or more of the total number of members attend the meeting. In case a meeting convened according to the provisions of this Clause does not have enough members attending the meeting as prescribed, it will be convened a second time within seven (07) days from the intended date of the first meeting. In this case, the meeting shall be conducted if more than half of the BOD members attend the meeting.
7. Members of the BOD are considered as attending and voting at the meeting in the following cases:
  - a) Attending and voting directly at the meeting;
  - b) Delegating attendance and voting to others according to the provisions of Article 8 of this Clause;
  - c) Attending and voting through conference/online meeting, electronic voting, or other electronic forms;
  - d) Sending voting ballots/opinions to the meeting by mail, fax, email;
  - e) Sending voting ballots by other means as prescribed in the VPBank Charter.
8. BOD meeting minutes<sup>9</sup>:
  - a) Minutes of BOD meetings must be made in writing, and can be recorded, written, and archived by other electronic means. The key mandatory content of the minutes includes:
    - Name, address of the head office, business registration number;

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<sup>9</sup> Article 158 of the Enterprise Law, Clause 6 of Article 7 of the Law amending the Public Investment Law, the Law on Public-Private Partnership Investment, the Investment Law, the Housing Law, the Bidding Law, the Electricity Law, the Enterprise Law, the Special Consumption Tax Law, and the Civil Execution Law 2022.

- Time, venue of the meeting;
  - Meeting purpose, agenda and contents;
  - Full name of attending members or proxies; full name of absent members and reasons;
  - Issues to be discussed and voted on in the meeting; Summary of comments of each attending member in actual sequence.
  - Voting results which indicate members who agree, disagree, or provide no comments;
  - Approved issues and respective voting ratio;
  - Full names and signatures of the meeting chair and the meeting-minutes taker apart from the case stipulated in point e of this Clause.
- b) The Chairperson, meeting-minutes taker and others who sign on the meeting minutes shall be responsible for the fairness and accuracy of the content therein.
- c) BOD meeting minutes must be made in Vietnamese and can be in a foreign language and both versions shall have the same legal validity. Where there is any difference in contents of such two minutes, the contents in the Vietnamese version shall prevail.
- d) The BOD meeting minutes and documents used at the meeting must be stored at the head office of VPBank.
- e) In case the chairperson, the minute taker refuse to sign the minutes but if all other members of the BOD attending the meeting agree and pass the minutes with full content as prescribed in point a of Clause 11 of this Article, then these minutes are valid. The minutes clearly state that the chairperson, the minute taker refuse to sign the minutes. The signatory of the minutes is jointly responsible for the accuracy and truthfulness of the content of the minutes of the Board of Management meeting. The chairperson, the minute taker are personally responsible for damages to VPBank caused by refusing to sign the minutes in accordance with the provisions of the Enterprise Law, VPBank Charter, and related laws.

#### **Article 5. Voting from BOD by written ballot protocol<sup>10</sup>**

1. The BOD Chairperson shall decide on voting by ballot by BOD members to pass the resolutions of the BOD. Voting by ballot by BOD members can be done through hard copies, via email or by the means and tools accepted under VPBank's internal management policies and processes, including but not limited to document management system, electronic workflow, etc. from time to time.
2. BOD members provide their voting opinions within two (02) days of receiving the information and documents related to such voting by ballot. Any member who does not make his/her choice of voting or makes his/her choice after this prescribed time

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<sup>10</sup> Clause 3, Article 153, Law on Enterprises

limit will be considered as voting in favour.

3. The vote count enclosed with resolution(s) and decision(s) of the BOD which are made as a result of vote count must be sent to BOD members within 15 days since the date of vote-count completion
4. A decision which is passed through voting by ballot by BOD members shall have the same validity as a decision passed in a BOD meeting.

#### **Article 6. Information and Reporting Regime**

1. The BOD's Assistant Team shall receive information and reports to the BOD.
2. The CEO or an authorized Deputy CEO shall be responsible for sending reports on VPBank's performance to the BOD as per the BOD's governance requirements. The BOD Assistant Team shall be responsible for sending information to BOD members according to corporate governance requirements.
3. The CEO or authorized Deputy CEO shall responsible for regularly discussing with or sending the BOD Chairperson daily/weekly reports (if necessary) on VPBank's performance.
4. BOD members shall have the right to request the CEO, Deputy CEO and managers of internal units to provide business performance and financial documents and information of VPBank or each of its units. Managers must provide accurate and adequate information and documents in a timely manner upon request of BOD members.
5. All reports that are officially sent to the BOD must contain the signatures and full names of the accountable persons and stored as confidential documents of VPBank. The CEO's documents that are sent to regulators at all levels, mass media agencies upon their legitimate requests must be also sent to the BOD Chairperson.
6. All BOD members and BOD Assistant Team must store and protect information as per regulations of the law and VPBank.

### **CHAPTER II**

#### **POWERS, TASKS, OBLIGATIONS OF THE BOD, THE BOD CHAIRPERSON AND MEMBERS**

##### **Article 7. Tasks and powers of the BOD<sup>11</sup>**

1. The BOD has the following tasks and powers
  - a) Submitting to the General Meeting of Shareholders for decision, approving the content within the tasks and powers of the General Meeting of Shareholders as stipulated in Article 37 of VPBank's Charter;
  - b) Make decision on establishment of branches, representative offices, non-business units of VPBank, amendment, supplementation of contents related to such

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<sup>11</sup> Article 153 of the Law on Enterprises, Article 70 of the Law on Credit Institutions; Article 6, Article 12, Article 15, Article 33 of Decree No. 93/2017/ND-CP; Article 27 of the model charter of Joint Stock Company and the Model Regulation on the Organization and Operation of the Board of Directors issued together with Circular No. 116/2020/TT-BTC

establishment;

- c) Appoint, dismiss, relieve from duty, take disciplinary actions against and determine on the salary, bonus and other interests of the CEO, Deputy CEOs and other executive positions under the BOD's authority in accordance with internal regulations stipulated by the BOD. At the same time, the Board of Management may delegate decision-making authority specifically within this scope, according to the internal regulations of VPBank.
- d) Appointing representatives of VPBank's capital contribution to other enterprises, credit institutions;
- e) Approve plan(s) for contributing capital, selling shares and contributed capital of VPBank at the enterprises and other credit institutions with the value of contributed capital, expected purchase price or book value in the case of selling shares, contributed capital valued at less than 20% of the bank's charter capital recorded in the latest audited financial statement.
- f) Approve decisions on investment, purchase and sale of fixed assets of VPBank with the planned investment, purchase price or original price being valued is equal to or exceeds 10% of VPBank's charter capital indicated in the latest audited financial statement, except for investment, purchase, sale of fixed assets under the authority of the General Meeting of Shareholders. For decisions specified in point (f) with a value below 10% of VPBank's charter capital recorded in the latest audited financial report, the Board of Management shall establish decision-making mechanisms, including principles to identify individuals, units authorized to approve, ensuring suitability to the actual situation of VPBank.
- g) Decide on credit facilities as prescribed in Article 7 of Article 136 of the Law on Credit Institutions, except for transactions under the decision-making authority of the General Meeting of Shareholders;
- h) Approve contracts, other transactions with a value below 20% of VPBank's charter capital recorded in the latest audited financial report between VPBank and members of the Board of Management, members of the Supervisory Board, General Director (Director), Major Shareholders of VPBank; Related parties of managers, members of the Supervisory Board, major shareholders of VPBank; Subsidiaries, affiliates of VPBank;
- i) Approving contracts, other transactions with a value equal to or exceeding 10% of VPBank's charter capital recorded in the latest audited financial report. The Board of Management may delegate decision-making authority specifically within this scope, according to the internal regulations of VPBank. For decisions specified in point (i) with a value below 10% of VPBank's charter capital recorded in the latest audited financial report, the Board of Management shall organize and issue decision-making mechanisms, including principles to identify individuals, units authorized to approve, ensuring suitability to the approval mechanism of the actual situation of VPBank.

- j) Check, oversee, and direct the CEO to perform his assigned tasks; evaluate the CEO's annual performance;
- k) Issue internal regulations on organization, management and operation of VPBank in accordance with relevant legal regulations (including Disclosure Regulations), except for matters falling within the authority of the AGM and the Supervisory Board;
- l) Make decisions on risk management policies and supervise the execution of risk prevention measures of credit institutions;
- m) Review and approve VPBank's annual reports;
- n) Decide to offer new shares within the limit of shares entitled to be offered;
- o) Decide on offer prices of shares and convertible bonds of VPBank;
- p) Make decisions on repurchase of VPBank's shares according to approved schemes;
- q) Propose the plan on distribution of profits and dividends; determine the time and procedures for paying dividends or handling losses from business;
- r) Prepare contents, documents to submit the AGM for decisions and passing of matters under the authority of the AGM except those under the SB's tasks and powers;
- s) Approve BOD's program, action plan, agenda, contents and documents for the AGM convene the AGM or hold a ballot of shareholders to pass the decisions and AGM's resolution;
- t) Execute, examine and supervise the implementation of resolutions or decisions of the AGM and the BOD;
- u) Timely notice to the State Bank of negative impacts on the qualifications of members of the Board of Management, Control Board, and CEO;
- v) Decide on strategy, medium-term development plan, and annual business plan of VPBank.
- w) Propose of share types and total number of shares eligible for offer for each type;
- x) Decide or issuance of regulations on capital mobilization through other forms;
- y) Decide on market development, marketing, and technology solutions;
- z) Elect, dismiss of the Chairman of the Board of Management; appoint, dismiss, sign contracts, termination of contracts for the CEO and other positions as regulated by the Board of Management;
- aa) Appoint representatives by authorization to attend the General Meeting of Shareholders, Board of Members, Control Board in other companies; deciding on the remuneration and other benefits of those individuals;
- bb) Decide on internal organizational structure, internal management regulations of VPBank.



- cc) Present annual financial reports to the General Meeting of Shareholders;
- dd) Proposal for restructuring, dissolution of the company; requesting bankruptcy of the company;
- ee) Decide on selecting an independent audit organization from the list of independent audit organizations chosen by the General Meeting of Shareholders or by authorization of the General Meeting of Shareholders;
- ff) Organize the issuance of the Regulations on the Operation of the Board of Management, Corporate Governance Regulations of the company after being approved by the General Meeting of Shareholders; the Board of Management organizes the issuance and publication of the Charter, updating changes, adjustments in the Charter corresponding to the issues approved/endorsed/adopted by the General Meeting of Shareholders;
- gg) Organize the issuance of internal regulations, approval mechanisms for credit granting by VPBank's appraisal personnel, credit approval on the basis of regulations of the State Bank, except for cases where credit granting falls within the approval authority of the General Meeting of Shareholders.
- hh) Propose to the Governor of the State Bank to approve issues as prescribed by law;
- ii) Decide on the issuance plan of bonds of VPBank (including bonds offered abroad), except for cases where bond issuance falls within the jurisdiction of the General Meeting of Shareholders according to VPBank's Charter;
- jj) Regulate of issues related to capital mobilization, asset transfer between units within VPBank.
- kk) Performe tasks, duties assigned, delegated by the General Meeting of Shareholders according to the Resolution of the General Meeting of Shareholders;
- ll) Regulate of issues related to liquidating assets that are of poor quality, lost integrity; assets that are damaged beyond recovery; technically obsolete assets with no usage demand or ineffective usage and cannot be sold in their original condition; assets that have exceeded the prescribed period of use without the possibility of continued use. The BOD may delegate specific decision-making authority within this scope, according to VPBank's internal regulations.
- mm) Regulate of issues related to determining compensation mechanisms when handling property losses at VPBank. The BOD may delegate specific decision-making authority within this scope, according to VPBank's internal regulations.
- nn) Approve of VPBank's annual financial plan.
- oo) Decide, approve, and implement of matters related to the restructuring plan of VPBank according to legal regulations or at the request of competent state management agencies.
- pp) Decide, approve, and implement of agreements, issues arising related to

- foreign shareholders, including but not limited to agreements on management, operation, personnel, operation... and activities of VPBank.
- qq) Other tasks and powers as stipulated in VPBank's Charter, relevant legal regulations, according to resolutions/decisions of the General Meeting of Shareholders.
2. When performing its functions and tasks, the BOD shall be required to comply with provisions of applicable laws, VPBank's Charter and decisions of the AGM. If a resolution or decision made by the BOD is in breach of applicable laws, VPBank's Charter or the AGM's resolutions or decisions which causes damages to VPBank, BOD members who have approved of that resolution or decision shall be jointly liable for such decision and must compensate for VPBank; members who have disapproved of such resolution or decision shall be exempted from liabilities. In this case, VPBank's shareholders reserve the right to request the Court to suspend or terminate such decision<sup>12</sup>.
3. When deemed necessary, the BOD decides to appoint the Secretary of VPBank. The VPBank Secretary has the following rights and duties<sup>13</sup>:
- a) Assisting in organizing the convening of General Meetings of Shareholders, BOD meetings; recording meeting minutes;
  - b) Supporting members of the BOD in exercising delegated rights and duties;
  - c) Assisting the BOD in applying and implementing VPBank governance principles;
  - d) Supporting VPBank in building shareholder relations and protecting the legitimate rights and interests of shareholders; compliance with obligations to provide information, disclose information, and administrative procedures;
  - e) Other rights and duties as stipulated by law and regulations in VPBank's Charter.

#### **Article 8. Powers and tasks of the BOD Chairperson<sup>14</sup>**

1. The BOD shall elect, relieve from duty, and dismiss the BOD Chairperson among the BOD members who have been elected by the AGM. The Chairperson of the BOD shall be elected in the first meeting of the BOD held within seven (7) working days of electing such BOD. The meeting shall be convened and chaired by the member with the highest number or percentage of votes. Where more than one member have the highest, equal number of percentage of votes, one (1) of them shall be chosen to convene the meeting according to majority principle<sup>15</sup>. The Chairperson of the BOD shall be required to be permanently resident in Vietnam during his term of office.
2. The BOD Chairperson has following rights and tasks:

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<sup>12</sup> Clause 4, Article 153, Law on Enterprises

<sup>13</sup> Clause 5, Article 156, Law on Enterprises

<sup>14</sup> Article 156, Law on Enterprises, Article 71 of the Law on Credit Institutions 2024.

<sup>15</sup> Clause 1 of the Model Regulation on the Organization of the Board of Directors' Activities, issued together with Circular No. 116/2020/TT-BTC dated December 31, 2020, by the Ministry of Finance guiding certain provisions on corporate governance applicable to public companies under Decree No. 155/2020/NĐ-CP.

- a) Set up working programs, action plans of the BOD;
  - b) Act on behalf of the BOD to sign documents within the jurisdiction of the BOD;
  - c) Organize the adoption of decisions, resolutions of the BOD;
  - d) Supervise the implementation of decisions of the BOD;
  - e) Chair the AGM;
  - f) Make sure that all members of the BOD receive sufficient, objective and exact information and have enough time to discuss issues to be considered by the Board of Directors;
  - g) Assign specific tasks to each BOD member. The specific tasks assigned to each member shall be required to be stated in writing and signed by the Chairperson of the BOD;
  - h) Supervise members of the BOD performing assigned rights, obligations, and tasks;
  - i) Only authorized to another member of the BOD to exercise the rights, duties of the Chairman of the BOD in the event of absence or inability to perform duties.
  - j) On an annual basis, evaluate the work performance of each BOD member and committees of the BOD and report the evaluation results to the AGM;
  - k) Preparing or organizing the preparation of the program, content, documents for meetings; convening, presiding over, and chairing meetings of the BOD;
  - l) Request to convene extraordinary AGM meetings in accordance with provisions of the Bank's Charter and applicable laws;
  - m) Perform tasks and work mandated, delegated and assigned by the GM in accordance with the Resolutions of the AGM and BOD;
  - n) To perform other rights and duties in accordance with provisions of VPBank's Charter and applicable laws.
3. Where the Chairperson of the BOD has submitted a resignation letter, relieved from duty, or dismissed, the BOD shall elect a replacement chairperson within 10 (ten) days of receiving the resignation letter, relieved from duty, or dismissed<sup>16</sup>.
4. Where the Chairperson of the BOD is absent or unable to fulfill their duties, he/she shall be required to authorize in writing to another member of the BOD to perform his/her rights and tasks. Where there is no authorized person or the Chairperson of the BOD dies, goes missing, is held in temporary detention, is serving a prison term, is serving his/her sentence in a compulsory rehabilitation or education centre, has escaped from place of residence, has limited legal capacity, has lost legal capacity, has limited cognition, has limited behavioural control, is

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<sup>16</sup> Article 7 of Clause 4 of the Model Regulation on the Operation of the Board of Directors and Clause 4 of Article 29 of the model charter issued under Circular No. 116/2020/TT-BTC dated December 31, 2020, by the Minister of Finance guiding certain provisions on corporate governance applicable to public companies under Decree No. 155/2020/NĐ-CP.

prohibited from holding certain professions or doing certain jobs by the court, the remaining members must elect one member who gains a majority of the votes as the Chairperson of the BOD until a new decision is made by the BOD.

**Article 9. Rights and Responsibilities of Members of the Board of Directors<sup>17</sup>**

1. Perform the powers and tasks of a BOD member in accordance with internal regulations of the BOD and tasks assigned by the BOD Chairperson in an honest, prudent manner in the interests of VPBank and its shareholders; promote the independence of independent BOD members in performing powers, duties; Take responsibility for exercising one's rights and obligations.
2. Review the report on financial statements auditing made by independent auditors, give opinions or request executives of VPBank, independent and internal auditors to explain and issues related to these statements.
3. Propose the BOD Chairman to convene extraordinary meetings of the BOD.
4. Attend BOD meetings, discuss and vote on matters within tasks and powers of the BOD in accordance with VPBank's Charter, take responsibility before the AGM and the BOD for their decisions. In case an item to be voted on conflicts with the interests of any member, that member cannot participate in the vote.
5. BOD members shall not appoint another BOD member as proxy to attend BOD meetings to decide on items as prescribed in clauses 2, 4, 6, 7, 8, 9, 10, 12, 13, 14 and 18, Article 70 of the Law on Credit Institutions.
6. Implement resolutions and decisions of the General Meeting of Shareholders and resolutions of the Board of Directors;
7. Explain to the General Meeting of Shareholders and the Board of Directors about the implementation of assigned tasks when requested;
8. Disclose information when conducting VPBank's stock transactions in accordance with legal regulations.
9. Timely and fully report to the Board of Directors the remuneration received from subsidiaries, affiliated companies, and other organizations;
10. Report to the Board of Directors at the latest meeting on transactions between VPBank, subsidiaries, companies in which VPBank holds controlling stakes of over 50% of charter capital, with members of the Board of Directors and related persons of those members; transactions between VPBank and companies where a member of the Board of Directors is a founder or a business manager within the last three (03) years prior to the transaction.
11. Elect, dismiss, and remove the position of Chairman of the Board of Directors;
12. Members of the Board of Directors have the right to request the CEO, Deputy CEO, or other managers of VPBank to provide information, documents on the financial situation, business activities of VPBank and its subsidiaries, VPBank's affiliate

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<sup>17</sup> Article 72 of the Law on Credit Institutions, Article 153 Law on Enterprises.

companies;

13. Independent members of the Board of Directors must independently prepare an evaluation report on the activities of the Board of Directors.
14. Other duties, powers as prescribed in the VPBank Charter and relevant legal provisions.

**Article 10.** BOD members must disclose to VPBank the following information<sup>18</sup>:

- a) Name, enterprise code, head office address of the enterprise or other economic organization in which they and affiliated persons own capital contributions or shares of 05% or more of charter capital, including capital contributions, shares proxied or entrusted to other organizations and individuals in the name of other organizations and individuals;
- b) Name, enterprise code, head office address of the enterprise or other economic organization of which they and affiliated persons are BOD members, members of the Members Council, controllers, or SB members, Chief Executive Officer (Director).
- c) Information about affiliated individuals, including: full name; personal identification number; nationality, passport number, date of issue, place of issue in the case of foreigners; relationship with the information provider;
- d) Information about an affiliated person being an institution, including: name, enterprise code, head office address of the enterprise, number of Business Registration Certificate or equivalent legal documents; legal representative, relationship with information provider.

2. The provision of the information specified in Clause 1 of this Article must be done within seven (07) working days from the date the information arises or changes.

3. BOD members must ensure that the information provided and publicly disclosed is truthful, accurate, complete, and timely and must be responsible for providing and publicly disclosing that information.

4. A BOD member, if performing any form of work on behalf of himself or herself or on behalf of others within the scope of business operations of VPBank, must report the nature and content of that work to the BOD, the SB and shall only be permitted to perform that work if the majority of the remaining BOD members approve; if the work is performed without reporting to or without the approval from the BOD, all income arising from such activity shall belong to VPBank<sup>19</sup>.

**Article 11. Remuneration and other benefits for BOD members<sup>20</sup>**

1. The BOD members are entitled to remuneration and bonuses. Remuneration shall be calculated on the basis of the number of working days necessary to fulfil the tasks and per diem rate. The BOD shall estimate the remuneration for each member on the principle of agreement. The total amount of remuneration and bonuses for the BOD shall be decided by the AGM;
2. The BOD members are entitled to reimbursement of expenses for meals, accommodation and travel and other reasonable expenses incurred in order to fulfil their delegated tasks;

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<sup>18</sup> Article 49 of the Law on Credit Institutions, Article 164 of the Law on Enterprises.

<sup>19</sup> Article 20 of the Model Regulation on the Organization and Operation of the Board of Directors under Circular No. 116/2020/TT-BTC

<sup>20</sup> Article 163 of the Law on Enterprises

3. The remuneration of BOD members shall be included in the business expenses of VPBank in accordance with the law on corporate income, applicable laws and shall be presented as a separate item in the annual financial statements of VPBank and shall be reported to the AGM at its annual meeting.

### **Article 12. Responsibilities of the Board of Directors in Convening Extraordinary General Meetings of Shareholders**

The Board of Directors must convene extraordinary general meetings of shareholders in cases and according to the procedures and regulations stipulated in the VPBank Charter.

## **CHƯƠNG III**

### **ELECTION, DISMISSAL, RELIEF FROM DUTY OF BOD MEMBERS**

#### **Article 13. The following persons cannot be BOD members<sup>21</sup>**

1. A minor; person with difficulty in cognition and behaviour control, or with limited civil act capacity or has lost civil act capacity;
2. A person who is being prosecuted for criminal liability or serving prison sentence(s); is taking administrative measures at compulsory detoxification facilities or compulsory educational establishments; is being banned by the Court from holding certain positions, practicing certain professions or doing certain jobs;
3. A person who is convicted of property infringement but has not had his/her criminal record erased; a person who is convicted of serious crime(s) or more;
4. Public officers and civil servants as regulated in the law on public officers and civil servants; managers from department management level or above in enterprises where Government holds 50% of the charter capital or more, except for ones assigned to act as representatives for the contributed capital of the Government at VPBank;
5. Officer, non-commissioned officer, professional army man, or defence worker of an agency or units under the Vietnam People's Army; officer, professional non-commissioned officer, or police worker of an agency or unit under the Vietnam People's Police, except when assigned to represent the State's capital contribution or an enterprise which the Government holds 50% of the charter capital or more at VPBank;
6. A person who is prohibited from taking part in the management, administration of an enterprise, cooperative in accordance with legal regulations on cadres, civil servants public officers and the law on anti-corruption;
7. A person who used to be a private company owner, partner in a partnership, Director (CEO), BOD member, member of the Members' Council, controller, member of the SB of a company, BOD member and CEO (Director) of a co-operative at the time the enterprise, co-operative was declared bankrupt except when assigned, appointed,

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<sup>21</sup> Article 42, Law on Credit Institutions

- promoted to manage, operate, control a credit institution declared bankrupt due to work requirements;
8. A person who is suspended from the position of BOD Chairperson, other member of the BOD, SB Head, other member of the SB, CEO (Director) of credit institutions according to the provisions in Article 47 of the Law on Credit Institutions or charged with violations by the competent authority which leads to the revocation of credit institutions' license on establishment and operations;
  9. Related persons of members of the Board of Directors, CEO of VPBank, except as provided in Clause 3 of Article 69 of the Law on Credit Institutions.
  10. A persons who is held accountable according to inspection conclusion(s) leading to credit institutions being fined for administrative violations in the monetary and banking sector in the highest penalty tier for violation of regulations on license, governance, management, shares, capital contribution, share purchase, credit extension, corporate bond purchase, prudential ratios in accordance with legal regulations on handling of administrative violations in the monetary and banking sector;

#### **Article 14. Cases banned from concurrently holding positions<sup>22</sup>**

1. The Chairman of the BOD of VPBank cannot concurrently be an executive or member of the SB of VPBank and other credit institutions or manager of other enterprises.
2. Non-independent members of VPBank's Board of Directors may not concurrently hold one of the following positions:
  - a) Executive of VPBank, except for Chief Executive Officer of VPBank;
  - b) Manager, operator of another credit institution, manager of another business, except manager, operator of VPBank's subsidiary or its parent company or in cases of implementing an approved mandatory transfer plan;
  - c) Controller, member of the SB of another credit institutions or enterprise.
3. Independent members of VPBank's Board of Directors may not concurrently hold one of the following positions:
  - a) Executive of VPBank;
  - b) Manager or an executive of another credit institution; manager of 02 other enterprises;
  - c) Controller or member of the SB of another credit institution or enterprise.

#### **Article 15. Standards and conditions for BOD members<sup>23</sup>**

1. BOD members must meet the following standards and conditions:
  - a) Not falling under the cases ineligible for positions as stipulated in Clause 1, Article

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<sup>22</sup> Article 43 of the Law on Credit Institutions

<sup>23</sup> Article 41 of the Law on Credit Institutions, Article 155 Law on Enterprises



- 42 of the Law on Credit Institutions and Article 26 of the VPBank Charter;
- b) Possessing professional ethics as prescribed by the Governor of the State Bank;
  - c) Having a university degree or higher;
  - d) Meeting one of the following conditions: Having at least three (03) years of experience as a manager or executive of a credit institution; having at least five (05) years of experience as a manager of enterprises operating in the financial, accounting, auditing industry, or other enterprises with minimum charter capital as stipulated for joint-stock companies; having at least five (05) years of direct work experience in the business department of credit institutions, foreign bank branches; having at least five (05) years of direct work experience in financial, banking, accounting, auditing business departments<sup>24</sup>...
2. Independent members of the Board of Directors must meet all the standards and conditions stipulated in Clause 1 of this Article and the following standards and conditions:
- a. Not being employed by VPBank or its subsidiaries or having worked for VPBank or its subsidiaries at any time within the previous 03 years;
  - b. Not receiving regular salaries, remunerations from VPBank, except for remunerations received according to the standards for members of the Board of Directors;
  - c. Not having spouses, parents, children, siblings, or spouses of these individuals being major shareholders of VPBank, managers, or controllers, members of the Supervisory Board of VPBank or its subsidiaries;
  - d. Not representing VPBank's shares; not owning directly or indirectly with related persons at least 01% of charter capital or voting shares of VPBank;
  - e. Not being managers, members of the Supervisory Board of VPBank at any time within the previous five (05) consecutive years.

**Article 16. Suspension, temporary suspension of exercising rights, obligations of members of the Board of Directors<sup>25</sup>**

1. The State Bank has the right to suspend, temporarily suspend the exercise of rights, obligations of the Chairman, other members of the Board of Directors who violate the provisions of Article 43, Clause 10 of Article 48 of the Law on Credit Institutions or other relevant laws during the exercise of delegated rights, obligations or fail to meet the standards, conditions stipulated in Article 41 of the Law on Credit Institutions; request competent authorities to dismiss, relieve from duty, elect, appoint substitute members if deemed necessary.
2. The Special Supervisory Board has the right to suspend, temporarily suspend the exercise of rights, obligations of the Chairman, other members of the Board of Directors if VPBank is specially supervised and when the Special Supervisory

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<sup>24</sup> Point d, Clause 1 Article 51 Law on Credit Institutions

<sup>25</sup> Article 47 of the Law on Credit Institutions

Board deems it necessary.

3. Individuals suspended, temporarily suspended from performing duties, powers as prescribed in this Article must be responsible for participating in handling existing and related violations of personal responsibilities upon request of the State Bank, Board of Directors, Supervisory Board of VPBank or the Special Supervisory Board.

#### **Article 17. Automatic loss of status<sup>26</sup>**

1. Cases of automatic loss of status as members of the Board of Directors: implemented according to the provisions of the VPBank Charter.
2. Within a period of maximum fifteen (15) working days from the date the BOD Chairman automatically loses status as prescribed in Clause 1 of this Article, BOD members shall be responsible for holding a BOD meeting to elect a member as BOD Chairperson..
3. After VPBank elects a new BOD Chairperson according to the provisions of this Article, the BOD shall notify in writing to the SBV (through the Banking Supervision Agency) about the newly elected BOD Chairperson together with the BOD's Resolution on the election of the BOD Chairperson.
4. After automatically losing their status, members of VPBank's BOD must be responsible for their decisions during their term of office.

#### **Article 18. Relief from duty, dismissal<sup>27</sup>**

1. Except for the case of automatic loss of status as prescribed in Article 17 of this Regulation, the BOD Chairperson and other members shall be considered for relief from duty or dismissal in the following cases according to regulations at VPBank Charter.
2. In addition to the cases specified in Clause 1 of this Article, BOD members may be relieved from duty at any time according to the decision of the AGM<sup>28</sup>.
3. Within 10 days from the date of approving the decision to relive from duty or dismiss the people as prescribed in Clause 1 of this Article, the VPBank BOD must issue a written notice with specific supporting documents to the SBV.
4. Within 24 hours, VPBank must disclose information and clearly state the effective date of change, new appointment, re-appointment, dismissal, and receipt of the resignation letter from the BOD Chairman or member. At the same time, VPBank must send the State Securities Commission and the Stock Exchange a copy of information about the new insider<sup>29</sup>.
5. After being relieved from duty or dismissed, the BOD Chairperson or other members must be responsible for their decisions during their time in office.

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<sup>26</sup> Article 45 of the Law on Credit Institutions

<sup>27</sup> Article 46 of the Law on Credit Institutions

<sup>28</sup> Clause 3, Article 160, Law on Enterprises

<sup>29</sup> Point 1, Article 1, Clause 11 of Circular No. 96/2020/TT-BTC

**Article 19. Procedures for electing, dismissal, relief from duty of BOD Chairperson and members**

The procedures for electing, removing, and dismissing the position of BOD Chairman and BOD member shall be governed by VPBank's Charter and relevant laws.

**CHAPTER IV****RELATIONSHIPS OF THE BOD<sup>30</sup>****Article 20. Relationship among BOD members**

1. The relationship between BOD members is a cooperative relationship; BOD members shall be responsible for informing one another about relevant issues in the process of carrying out assignments.
2. In case there is a reassignment between BOD members, the BOD members must hand over related work, records and documents. This handover must be made in writing and reported to the BOD Chairman about that handover.

**Article 21. Relationship with the the CEO and the supporting offices for the CEO BOD**

In its role of governance, the BOD issues resolutions, decisions for the CEO and entities, individuals to implement. At the same time, the BOD shall check and supervise the implementation of resolutions, decisions.

**Article 22. Relationship with the SB**

1. The relationship between the BOD and the SB is a cooperative relationship. The working relationship between the BOD and the SB follows the principles of equality and independence, while closely coordinating and supporting each other in the process of performing tasks.
2. When receiving opinions from the SB, the BOD shall be responsible for researching and directing relevant units to develop plans and make timely corrections.

**CHAPTER V****IMPLEMENTATION PROVISIONS****Article 23. Effectiveness**

1. This Regulation takes effect on July 1, 2024 and shall supersede Regulation No. 131/2021/QC-HĐQT dated June 1, 2020 on organization and operation of the BOD.
2. The matters not covered in this regulation shall be governed by related provisions of VPBank's Charter, other regulations of VPBank and applicable laws. Where any content in this Regulation contradicts the law and VPBank's Charter, such content

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<sup>30</sup> Chapter VI Model regulations on the organization and operation of the Board of Directors, issued together with Circular No. 116/2020/TT-BTC dated December 31, 2020, of the Ministry of Finance guiding some provisions on corporate governance applicable to public companies under Decree No. 155/2020/NĐ-CP.

shall automatically cease to be effective.

#### **Article 24. Implementation**

1. The amendment and supplementation of this Regulation shall be decided by the BOD upon the AGM's approval/assignment.
2. Members of the BOD, the BOM, related individuals and units shall be responsible for implementing this Regulation.

#### **Recipients:**

- BOD and SB Head;
- BOM;
- Branches;
- HO departments/centers;
- BOD Office filing.

**P/P BOARD OF DIRECTORS**

**Chairperson**

**NGÔ CHÍ DŨNG**