

# POLICY ON MANAGEMENT OF CONFLICT OF INTEREST

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## CONFLICT OF INTEREST MANAGEMENT POLICY

### CHAPTER I: GENERAL PROVISIONS

#### Article 1. Purpose of issuance

1. Implement Vietnamese statutory provisions, requirements according to the code of conduct, professional ethics and general practices related to the management of conflicts of interest at VPBank.
2. Identify circumstances that may give rise to conflicts of interest, establish risk management principles for the Bank and/or its employees when handling conflicts, and ensure that conflicts of interest do not adversely affect the interests of customers, the Bank or other relevant parties.
3. Ensure that all employees are aware of and comply with the principles of identifying, reporting and handling of conflicts of interest.

#### Article 2. Scope of regulation and subjects of application

##### 1. Scope of Adjustment:

- a) The management of conflicts of interest in the Bank's activities, determining the principles of identification, reporting, management, and mechanisms for handling conflicts of interest in specific fields.
- b) Responsibilities and authorities of units in the implementation of provisional policies on management of conflict of interest, directives, action programs, plans and strategies on conflict of interest management of the State Bank of Vietnam and functional public agencies.

2. **Subjects of application:** All employees of VPBank, consultants, experts, contractors/suppliers, interns, collaborators, agents, customers, relevant partners.

#### Article 3. Interpretation of terms

##### 1. Conflict of interest:

A conflict of interest is a situation in which one or more people, organizations, or units in an organization have opposed interests, and promoting one's interest may harm the other interest.

Conflicts of interest may arise as below:

- a) The Bank and/or its employees fail to comply with the obligations as prescribed;
- b) The Bank and/or its employees fail to fulfill their obligations for dedication to other individuals or organizations (such as customers, partners, etc.);
- c) The Bank's employees are affected or influenced when giving professional and objective opinions and decisions or hindered from properly performing their

obligations and responsibilities;

- d) Employees commit violations of ethics; and/or
- e) The bank receives benefits, incentives and privileges to give business opportunities to an inappropriate subject or provides benefits, incentives and privileges in exchange for an advantage or business opportunity.

Conflicts of interest under this Policy include actual conflicts of interest (i.e., conflicts of interest that have arisen); potential conflicts of interest (i.e., conflicts of interest that may arise due to specific events and circumstances); cognitive conflict of interest (i.e., a situation that is perceived, concerned that a conflict of interest may arise even if no actual conflict of interest exists); Persistent conflicts of interest and conflicts of interest arise in connection with a single event (e.g. a transaction).

- 2. **Family members**<sup>1</sup>: People have relationship with VPBank's employees in accordance with VPBank's provisions varied in each period, including spouses; biological parents, adoptive parents, stepfathers, stepmothers, parents-in-law; biological children, adopted children, stepchildren of spouses, daughters-in-law, sons-in-law; brothers, sisters, half-siblings, half-siblings, half-mothers; paternal grandparents, maternal grandparents; grandchildren; aunts, uncles and nephews.
- 3. **Close relationships**: People who have emotional, close-knit, friend, acquaintance, business, commercial, financial, or dependent relationships.
- 4. **A person with a position of power**: A person who has been appointed, recruited, contracted or otherwise, paid or unpaid, assigned to perform certain tasks and have certain authorities while performing such tasks<sup>2</sup>.
- 5. **Units**: Units of VPBank, including Divisions, Centers, Departments, Functional Boards of VPBank's Head Office, Regions, Branches, Transaction Offices and other units of VPBank throughout the system.
- 6. **Third Party**: Any individuals or organizations contacting with VPBank in the course of work with VPBank including but not limited to existing and potential customers, suppliers/contractors, business partners, agents, advisors, Government and State agencies.
- 7. **Officers and employees**: All officers and employees of VPBank.

## CHAPTER II: SPECIFIC PROVISIONS

### Article 4. Roles and Responsibilities

#### 1. Responsibilities of the Board of Directors

- a) Establish necessary policies and mechanisms to organize the implementation of

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<sup>1</sup> Paragraph 16, Article 3 of the Law on Marriage and Family 2014;

<sup>2</sup> Paragraph 2, Article 3 of the Law on Prevention and Combat of Corruption 2018.

statutory provision, requirements according to the code of conduct and professional ethics and general practices related to the management of conflicts of interest and retain the mechanism and policies for managing conflicts of interest within VPBank.

- b) Create necessary conditions for relevant units, employees to establish a mechanism for inspection, supervision, detection and strict handling of violations related to conflicts of interest or legal violations.

## **2. Responsibilities of Members of Board of Direction**

- a) Members of the Board of Directors in general must act in the best interests of VPBank, always consider the interests of VPBank in the decision-making process, ensure that business decisions are not affected by conflicts of interest, and then must have the following responsibilities:
    - i. Proactively identify and report conflicts of interest arising from their position as members of the Board of Directors in accordance with VPBank's requirements and provisions;
    - ii. Proactively reject all actions that may be detrimental to VPBank;
  - b) Members of the Board of Directors are not allowed to participate in any type of business in competition with VPBank without the approval of the Board of Directors or shareholders in accordance with statutory and VPBank's provisions;
  - c) Members of the Board of Directors cannot represent VPBank in transactions with themselves or with third parties represented by themselves unless the transaction has been approved by the Board of Directors or the General Meeting of Shareholders according to their authorities under statutory and VPBank's provisions.
3. The responsibilities of units and individuals at VPBank in managing conflicts of interest are determined in the documents implementing the issues of this Policy according to VPBank's policies and regulations varied in each period.

## **Article 5. Principles for managing conflicts of interest**

### **1. Compliance Principles:**

The VPBank's provisions of the Policy on Management of Conflict of Interest must be complied by all employees of VPBank from the Members of the Board of Directors, the General Director, the Executive Board to the Directors of Units, the Heads of Departments, Functional Departments, the Managers and the employees of VPBank.

### **2. Transparency Principles:**

Information related to conflicts of interest is require to be provided, reported and managed according to the principle of publicization and transparency in parallel with appropriate consideration in each specific situation to ensure the best interests of VPBank, individuals and related units. thereby minimizing the risk of conflict of interest and enhancing

VPBank's reputation.

This principle serves as a measure to protect the Bank from unnecessary influences, promote fairness and contribute to the responsible and ethical behavior of units and individuals at VPBank.

### **3. Principles of consideration:**

Any conflict of interest must always be considered by all VPBank employees when it comes to their behavior.

This principle serves as a guiding framework for identifying, resolving, and preventing situations where conflicts of interest may occur, in which personal interests may undermine the integrity of actions, decisions, or relationships.

## **Article 6. Types of conflicts of interest**

### **1. Conflict of interest between the Bank and customers**

Conflicts of interest between the Bank and customers may cause damage to the interests of customers, including but not limited to the following cases:

- a) An employee or representative of the Bank has a personal interest in a transaction in which the customer is a participant;
- b) The Bank or its employees advise two or more customers participating in the same transaction with each other;
- c) The bank has a financial or other motive to support the interests of one customer/group of customers rather than the interests of another customer/group of customers;
- d) The Bank or its employees are paid a non-public commission related to transactions made on behalf of customers.

### **2. Conflict of interest between the Bank and its employees and other relevant parties**

Conflicts of interest between the Bank and its employees and other relevant parties include but are not limited to the following cases:

- a) An employee who has the authority or opportunity to influence the Bank's decision which may bring benefits to such employee, his/her family members or a person having close relationship with him/her or to the enterprises where such employee, his/her family members, and a person having close relationship with him/her participate in management, administration, and capital contribution;
- b) A job, task or relationship that affects the viewpoint, goodwill or objectivity of employees when performing their duties and responsibilities at the Bank;
- c) Employees derive their own benefits from their job, their functions and tasks assigned by the Bank;
- d) Conflicts arising related to transactions and agreements between the Bank and

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organizations, individuals or other related parties.

## **Article 7. Identifying, preventing and managing conflicts of interest risks**

### **1. Measures to prevent and manage conflicts of interest**

The Bank establishes and arranges the structure, organization, functions and tasks, builds an appropriate reporting and internal distribution system to ensure the possibility of conflict of interest and management if arising, including:

- a) Decentralization of access to internal information to control internal information flows within the Bank on the basis of the principle that "employees only access and use necessary information for work";
- b) Decentralization of access to email systems and computers;
- c) Arranging units with specific functions and tasks which may cause conflicts of interest in separate places and decentralizing the their authorities according to their duties;
- d) Assigning and tasking appropriately, restricting employees from participating in many different tasks or activities where the participation may affect the management of conflicts of interest;
- e) Identifying and classifying types of conflicts when they arise;
- f) Reviewing policies of new products and services before issuance to anticipate potential conflicts;
- g) Taking consideration into developing policies on personal account transactions and requiring employees to comply.
- h) Considering to develop of policies on gifts, benefits and hospitality and requiring employees to comply.
- i) Requiring all employees to declare and report all conflicts of interest possible to arise.
- j) Considering to supplement regulations related to conflicts of interest to the remuneration policy, encouraging employees to act in the best interests of customers.
- k) Establishing an organizational structure consisting of a focal unit for managing conflicts of interest and directly report to the Board of Directors and the General Director independently.
- l) Considering to establish measures to manage internal transactions (transactions conducted between the Bank and its branches and subsidiaries) and require employees to comply.
- m) Considering to develop policies and provisions on the management of related-party transactions and require employees to comply. Related-party transactions are transactions between the Bank (including the Bank's branches and subsidiaries) and an associated party who is in a position to control the Bank or has significant influence

over the Bank, such as an individual or an organization holding or controlling 5% or more of the shares, or senior management members of the Bank or family members of these persons.

- n) Considering to develop policies on competition, combating market abuse and requiring compliance from employees;
- o) Considering to develop documents of implementation and guidance to ensure that customers are aware of VPBank's Policy on Management of Conflict of Interest, commit not to participate in or carry out activities violating this Policy, and at the same time take appropriate measures when customers violate this Policy.

In the event that the Bank is uncertain about whether there is a conflict of interest, the Bank has the right to make decisions to control incidents, manage conflicts and prevent the risk of damage to the interests of customers and ensure that customers are always treated fairly.

## **2. Identify and report conflicts of interest**

- a) All employees are responsible for identifying and reporting conflicts of interest or potential conflicts of interest in all cases, whether directly related to such conflict situation or not.
- b) Identified conflicts of interest or potential conflicts of interest must be reported by officials and employees to their direct managers, and at the same time transfer information to the Legal and Compliance Division for summary, evaluation, conclusion and then report to the General Director in case of conclusion of conflict of interest.
- c) The Bank will take all actions possible to prevent conflicts of interest and adverse impacts. The Bank may refuse to act in the event of risk or harm to the interests of the Customer, the Bank or other related parties.

## **3. Requirements when formulating and promulgating policies, products, regulations and guidelines**

- a) During the process of development and promulgation of policies, products, regulations and guidelines, the relevant units shall be responsible for reviewing, analyzing, evaluating and ensuring that new policies, products, regulations and guidelines do not have potential conflicts of interest as prescribed in this Policy and other VPBank's provisions and guidelines varied in each period.
- b) The process of implementing policies, products, regulations and guidelines, in practice, continues to be reviewed and analyzed periodically/continuously by units to promptly detect and report if any conflicts arise for appropriate handling measures.

## **4. Disclosure of information to customers**

In case the Bank's control measures are insufficient to prevent conflicts of interest arising or ensure that potential conflicts of interest are harmless to the interests of customers, based



on the case-by-case approval of the General Director, VPBank shall inform the conflict of interest by a written notice to the affected customers.

The written notice on conflict of interest may enable customers to consider and decide on the desire of keeping relationship with the Bank or using the Bank's products and services. In case such customers agree to continue the relationship and continue to use the Bank's products and services, the Bank ensures that the conflicts have been appropriately managed and the Bank will continue to provide services to the customer in the manner desired by the customers.

## **5. Termination of operation and service**

The Bank will proactively terminate its operation, services or issues that give rise to conflicts of interest when the Bank seems to be unable to effectively prevent or manage conflicts of interest by all possible measures.

## **Article 8. Resolution of violations**

All VPBank employees who do not comply with the Policy on Management of Conflict of Interest, violate regulations and implementation guidelines (if any), will be strictly resolved according to VPBank's provisions.

## **Article 9. Data System for Management of Conflict of Interest**

1. VPBank builds and maintains a data system for management of conflict of interest to monitor and manage all current and potential conflicts of interest at VPBank by the Legal and Compliance Division as the focal point responsible for summary, update and management.
2. The data system is used to retrieve and summarize information for reporting to the Board of Directors and the General Director with the contents of conflicts of interest at VPBank according to the reporting program specified in Article 10 of this Policy.

## **Article 10. Reporting Program**

1. The internal reporting program on conflicts of interest shall be carried out annually or irregularly as per requests and directives of the Board of Directors and the General Director.
2. VPBank implements reports to the State Bank of Vietnam and functional agencies on the management of conflicts of interest in accordance with the law.

## **Article 11. Ensuring the confidentiality of information and reporting documents**

1. All information and documents gathered during the investigation, including the identities of the subjects and witnesses, are kept strictly confidential.
2. The information and documents collected during the investigation process as well as related reports are only disclosed to competent individuals or organizations in accordance with VPBank's provision varied in each period.

**Article 12. Storing information, records, documents, reports**

1. VPBank shall fully and accurately archive and preserve dossiers, documents and reports related to conflicts of interest within an appropriate period for each type of document as prescribed by VPBank in each period.
2. VPBank establishes policies and regulations related to the storage and management of records and reporting documents related to conflicts of interest.
3. The Legal and Compliance Division plays the focal point for archiving information, records, documents and reports on management of conflict of interest at VPBank.

**Article 13. Training and propaganda**

1. VPBank's policies related to conflict of interest is publicized throughout business processes, internally, on the system, websites and disseminated to all officers and employees of VPBank. The Legal and Compliance Division undertakes training on the contents of this Policy in accordance with VPBank's provisions varied in each period.
2. VPBank also participates in training and communication programs on avoiding conflicts of interest implemented by external organizations depending on their needs and decisions from time to time.

**CHAPTER III: PROVISIONS ON IMPLEMENTATION**

**Article 14. Revision and update of the Policy on Management of Conflict of Interest**

This policy is valid for a maximum period of 03 years. This policy will be updated based on:

1. Changes to law related to the management of conflicts of interest;
2. Changes to policies and procedures at VPBank;
3. Any changes that VPBank's competent authority considering necessary and appropriate.

**Article 15. Implementation Terms**

1. This Policy takes effect from / /2024 and replaces the Policy on Management of Conflict of Interest No. 225-2023-CSH-HDQT dated 24/10/2023.
2. The contents not specified in this Policy will be implemented in accordance with the statutory and VPBank's provisions. Any parts of this Policy contrary to the provisions of Vietnamese law will automatically be invalidated.
3. The Executive Board is responsible for the implementation and promulgating internal documents detailing and guiding the implementation of necessary parts of this Policy to meet the requirement of operation and governance of VPBank.

**Recipients:**

- BOM; BOS (report);
- Executive Board;

**REPRESENT TO THE BOARD OF DIRECTORS  
CHAIRMAN**



POLICY ON  
MANAGEMENT OF CONFLICTS OF INTEREST

*Code: CSH-PC. VP. N/A/02*

- VPBank's employees;
- Archive at Office.

**NGO CHI DUNG**

## DOCUMENT MANAGEMENT DASHBOARD

Version number	02	
Basis for promulgating the Policy	Risk Management	Risk Type: Regulatory Risk and Compliance Controls
Text Type	Normative documents	
Document Format	Policy	
Block level management unit	Legal and Compliance Controls	
Center-level managing units	N/A	
Managing units at the Department/Board level	Department of Dispute Settlement, Complaints and Denunciations and Corruption Management	
Enforcement units at the Department/Board level	All	
Central-level Enforcement Units	All	
Block Level Enforcement Unit	All	
Business Segment	Level 1 Practice: Legal & Compliance Control Level 2 business segment: Handling violations Level 3 Business Segment: N/A	
Deployment channel	N/A	
Customer segment	N/A	
Competent authorities to promulgate	Board of Directors	
Signatories	Ngo Chi Dung	
Expiry Date	N/A	
Text contact points	Department of Dispute Settlement, Complaints and Denunciations and Corruption Management: tckntc@vpbank.com.vn	
Last review date	N/A	
Next review date	N/A	
Review frequency	Annually	
Text replaced	Conflict of Interest Management Policy No. 225-2023-CSH-HDQQ	
Amended/supplemented documents	N/A	

**Text summaries**

VPBank establishes its own policy to manage conflicts of interest within VPBank, in the relations between VPBank and State agencies, state employees, enterprises, individuals and related organizations.

**RELATED DOCUMENTS****1. Related VBNBs**

STT	Text Name	Model number	Date of Issue
1	Conflict of Interest Management Policy	225/2023/CSH-HDQT	20/10/2023

**2. Legal provisions:**

STT	Text Name	Model number	Date of Issue
1	Law on Corruption Prevention and Control	55/2005/QH11	Congress
2	Decree 59/2019/ND-CP detailing a number of articles and measures to implement the Law on Corruption Prevention and Control	59/2019/ND-CP	Government
3	Criminal Code	100/2015/QH13	Congress

**3. Other reference bases (if any):**

STT	Text Name	Model number	Date of Issue
1	N/A		

**FORM OF COMMUNICATION/ TRAINING**

Q&A	Email	Intensive training	Different
	X		