

## Amendments to the Regulation on organization and operation of the Board of Director (BOD)

### I. Definitions and abbreviations

1. **Law on amendments and supplementation of the Law on Credit Institutions (CI):** The Law amends and supplements a number of articles of the Law on Credit Institutions No. 17/2017/QH14 dated 20 November 2017;
2. **Decree 59:** Decree No 59/2009/ND-CP on organization and operation of commercial banks dated 16 July 2009;
3. **Decree 71:** Decree No 71/2017/ND-CP on corporate governance applicable to public companies dated 06 June 2017;
4. **Decree 93:** Decree No 93/2017/ND-CP on financial regimes of CIs and foreign bank branches, and financial supervision and assessment of the effectiveness of state capital utilization at CIs with wholly state-owned charter capital and CIs with foreign capital dated 07 August 2017;
5. **Circular 95:** Circular No 95/2017/TT-BTC dated 22 September 2017 on guidelines on some articles of Decree 71/2017/ND-CP on corporate governance applicable to public companies.
6. **Draft Charter:** Draft Charter of VPBank is being reviewed for amendments and supplementation in accordance with the Law on amending and supplementing the Law on CIs and Decree 71.
7. **Sample charter:** The sample charter applicable to public companies is issued together with Circular 95/2017/TT-BTC dated 22 September 2017 on guidelines on some articles of Decree No 71/2017/ND-CP on corporate governance applicable to public companies.
8. **Regulations of BOD:** Regulation on organization and operation of the BOD No 975/2015/QC-HĐQT dated 01 September 2015.

**Notes:** The proposed amendments and supplementation of the current BOD Charter are written in *Italic below*.

### II. AMENDMENTS AND SUPPLEMENTATION OF THE REGULATIONS OF BOARD OF DIRECTORS:

| No | Amended articles/ clauses                                                                       | Current regulations                                                                                                                       | Recommended amendments | Reasons for amendments and supplementation                               |
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| 1. | <b>Article 2, Clause 3. Composition, structure and term of office of the Board of Directors</b> | 3. The number of members who do not have a university degree shall not exceed one fourth (1/4) of the total number of members of the BOD. | Remove this clause     | To comply with Clause 10, Article 1, Amended Law on Credit Institutions. |

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| 2. | <b>Article 4. BOD meeting protocol (7<sup>th</sup> bullet point, Point a, Clause 9)</b> | <p>9. BOD meeting minutes:</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>- Full name and signature of the Chair and minutes taker.</p>                                                                                                                                                                                                                                                                                                                                                                                       | <p>9. BOD meeting minutes:</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>Full name and signature of the Chair and minutes taker <i>and all attending members. Minutes shall be required to indicate the reasons if any attending member does not sign the minutes; the votes of such members shall be invalid if no reason is indicated in the minutes. If meetings are held in the manner of teleconference or videoconference, within 07 (seven) working days from the date of meeting, all attending members shall be required to sign directly in the meeting minutes.</i></p> | <p>To comply with Article 50 of Decree 59 and Article 55 of the Draft Charter.</p>                                                                                                                                                                                                                                                                          |
| 3. | <b>Article 8. Tasks and Powers of the Board of Directors (Clause 1)</b>                 | <p>1. The BOD has the following tasks and powers:</p> <p>d) Appoint, relieve from duty, remove from office, take disciplinary actions against, suspend and determine on the salary and other benefits of the CEO, Deputy CEOs, CFO and the BOD's assistant team, <i>positions of Internal Audit Division</i><sup>1</sup>; Managers of Branches, Subsidiaries, and non-business units, Heads of representative offices and other positions under the BOD competence in accordance with internal regulations stipulated by the BOD;</p> <p>e) Approve the plan of capital contribution to, purchase of shares from enterprises or other credit institutions, which account for less than</p> | <p>1. The BOD has the following responsibilities and powers:</p> <p>e) Approve the plan of capital contribution to, purchase of shares from enterprises or other credit institutions, and <i>plans for transferring such investment amounts</i> valued at less than 20% of the charter capital of VPBank which is indicated in the latest audited financial statement. The BOD may delegate authority to make specific decisions within this scope in accordance with internal regulations of VPBank.</p> <p>u) Decide the <i>transfer of funds</i> and assets between units within VPBank or between VPBank's independent</p>                                                                                                                   | <p>- Amending Point d) to comply with Clause 16, Article 1; Clause 10 Article 1, Amended Law on Credit Institutions.</p> <p>- Amending Point e) and Point u) to comply with Article 6 and Article 7, Protocol 93</p> <p>- Amending Point y) to comply with the <b>Draft</b> charter.</p> <p>- Amending Point aa) to comply with Article 5, Protocol 93.</p> |

<sup>1</sup> Transfer the right to appoint, relieve from duty, remove from office, take disciplinary actions against and determine on the salary and other benefits for the positions of the Internal Audit Division to the Supervisory Board

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|    |                                                                    | <p>20% of the charter capital of VPBank which is indicated in the lastest audited financial statement. The BOD may delegate authority to make specific decisions within this scope in accordance with internal regulations of VPBank.</p> <p>u) Decide the transfer of assets between units within VPBank or between VPBank's independent member companies;</p> <p>y) Approve the schemes, contents and documents used for the Annual General Meeting (AGM); to convene the AGM or obtain written opinions of Shareholders in order to adopt the decisions or resolutions of the AGM.</p> | <p>member companies;</p> <p>y) Approve the program, <i>BOD action plan, agenda</i>, contents and documents for the Annual General Meeting (AGM); convene the AGM or hold a ballot of shareholders to pass the</p> <p>of VPBank.</p> <p>u) Decide the <i>transfer of funds</i>, assets between units within VPBank or between VPBank's independent member companies;</p> <p>y) Approve the <i>operation schemes and plans of the Board of Directors</i>; schemes, contents and documents used for the Annual General Meeting (AGM); to convene the AGM or obtain written opinions of Shareholders in order to adopt the decisions or resolutions of the AGM.</p> <p>Supplementing points aa), bb) and cc)</p> <p><i>aa) Decide the liquidation of low-quality and degrading assets; damaged and unrecoverable assets; technically obsolete assets that are not in use or used ineffectively and cannot be sold in their original condition; used assets exceeding the prescribed use time but can no longer be used.</i></p> <p><i>bb) Determine the amount of compensation when dealing with asset loss at VPBank.</i></p> <p><i>cc) Perform tasks mandated, delegated and assigned at the AGM's resolution.</i></p> | <p>- Supplementing Point bb) to comply with Clause 1, Article 12, Protocol 93.</p> <p>- Supplementing Point cc) to comply with the <b>Draft</b> Charter.</p> |
| 4. | <p><b>Article 9.</b></p> <p><b>Tasks and powers of the BOD</b></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Supplementing Point j) Clause 2.</p> <p>2. BOD Chairman has the following tasks and powers:</p> <p>j) <i>Perform tasks mandated, delegated and assigned by the Annual General Meeting in accordance with the Resolutions of the Annual General Meeting and Board of Directors;</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Amending Point j) Clause 2 to comply with the Draft charter.</p>                                                                                          |

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|    | <b>Chairman<br/>(Clause 2)</b>                                                |                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                          |
| 5. | <b>Article 12.<br/>Publicity of related interests</b>                         |                                                                                                                                                                                     | Supplementing Clause 4<br><i>4. VPBank shall send written notification to the SBV on the information specified in Clause 1 of this Article within seven working days since VPBank receives the information of publicity specified in Clause 2 of this Article.</i>                                                                                                                                                                                                                                                                 | To comply with Clause 8, Article 1, Amended Law on Credit Institutions.  |
| 6. | <b>Article 14.<br/>Cases banned from being BOD members</b>                    |                                                                                                                                                                                     | Supplementing Clause 12.<br><i>12. Those who are responsible according to the inspection conclusion leading to VPBank being sanctioned against administrative violations in monetary and banking sector in the highest penalty tier for violation of regulations on license, governance, operation, shares, capital contribution, shares purchase, credit extension, corporate bonds purchase, prudential ratios in accordance with legal regulations on handling of administrative violations in monetary and banking sector.</i> | To comply with Clause 6, Article 1, Amended Law on Credit Institutions.  |
| 7. | <b>Article 15.<br/>Cases banned from concurrently holding different posts</b> | Not regulated                                                                                                                                                                       | Supplementing Clause 4.<br><i>VPBank's BOD Chairman shall not concurrently be BOD Chair, BOD member, Member's Council Chairman, Member's Council memberr, Manager of any credit institution, company president, CEO (Director), Deputy CEO (Deputy Director) or other equivalent titles of other enterprises.</i>                                                                                                                                                                                                                  | To comply with Clause 7, Article 1, Amended Law on Credit Institutions.  |
| 8. | <b>Article 16.<br/>Criteria and conditions for a BOD</b>                      | 1. Members of the Board of Supervisors shall meet the following standards and conditions:<br>d) Having knowledge of banking operations as reflected in meeting one of the following | 1. Members of the Board of Supervisors shall meet the following standards and conditions:<br><i>d) Having bachelor's degree or higher degree;</i>                                                                                                                                                                                                                                                                                                                                                                                  | To comply with Clause 10, Article 1, Amended Law on Credit Institutions. |

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|    | <i>member</i>                                             | <p>conditions:</p> <ul style="list-style-type: none"> <li>- Being individual shareholder or proxy owning at least 5% of the Bank's charter capital, except for being BOD independent member;</li> <li>- Having bachelor's degree or higher degree in economics, business administration, law;</li> <li>- Having at least three years in managerial position of credit institutions/ enterprises in insurance, securities, accounting, auditing.</li> <li>- Having at least five years working directly in the banking, finance, accounting, auditing sector.</li> </ul> | <p>Supplementing Clause e)</p> <p><i>e) Having at least three years working as manager or executive of credit institutions; or at least five years working as manager or executive of enterprises in the banking, finance, accounting, auditing sector or other enterprises whose owner's equity is equal or higher than the legal capital of the corresponding type of credit institution; or at least five years working directly in the banking, finance, accounting, auditing sector.</i></p> |                                                                             |
| 9. | <b>Article 19. Dismissal, relief from duty (Clause 1)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>1. Members and Chairman shall be relieved from office or dismissed in one of the following cases:</p> <p><i>j) Providing VPBank with wrong information as a BOD applicant.</i></p>                                                                                                                                                                                                                                                                                                             | To comply with the provisions in Sample regulations (Article 26, Clause 3). |