

APPENDIX 12.

PROPOSAL ON REVISION OF REGULATION ON ORGANIZATION AND OPERATIONS OF SUPERVISORY BOARD

Attention: ANNUAL GENERAL MEETING OF VPBANK

Regulation on Organization and Operations of Supervisory Board of VPBank was developed on the basis of VPBank's Charter and was passed by the Annual General Meeting 2015. VPBank's effective charter was developed on the basis of Law on Credit Institutions 2010 and guiding documents and Ministry of Finance's Circular 121/2012/TT-BTC dated July 26, 2012 on governance of public companies.

On November 20, 2017, the National Assembly of Socialist Republic of Vietnam Session XIV passed Law Amending and Supplementing Some Articles of Law on Credit Institutions 2010 ("Revised Law on Credit Institutions"), which takes effect on January 15, 2018. On June 6, 2017, the Government issued Decree No. 71/2017/ND-CP guiding the governance of public companies ("Decree 71"), which supersedes Ministry of Finance's Circular 121/2012/TT-BTC dated July 26, 2012 on governance of public companies. On September 22, 2017, Ministry of Finance issued Circular 95/2017/TT-BTC guiding some articles of Decree 71 ("Circular 95".) Therefore, it is required to review and revise VPBank's Charter in line with Revised Law on Credit Institutions, Decree 71, and Circular 95.

After revising the Charter, it is required to also review and revise Regulation on Organization and Operations of Supervisory Board accordingly.

In light of the above-stated reasons, we would like to propose the resolutions on amendments and supplements to Regulation on Organization and Operations of Board of Directors to the AGM as follows:

1. Passing of the amendments to Regulation on Organization and Operations of Supervisory Board as per the enclosed documents.
2. Mandate for Supervisory to decide on related issues when amending and/or supplementing Regulation on the above-mentioned Organization and Operations of Supervisory Board, including the addition, clarification, revision, and/or re-

ordering of items according to legal regulations and in view of the reality.

3. Mandate for Supervisory Board to review and decide on amendments and/or supplements to Regulation on Organization and Operations of Supervisory Board if necessary in the period between AGM's and in view of the reality.

Recipients:

- *Ditto*
- *BOD Office (filing)*

P.P SUPERVISORY BOARD

Head

Ngo Phuong Chi

Detailed Amendments of Regulation on Organization and Operations of Supervisory Board

I. INTERPRETATION OF TERMS AND ABBREVIATIONS

1. **Law on Enterprises:** Law on Enterprises No. 68/2014/QH13 passed by the National Assembly on November 26, 2014;
2. **Law on Credit Institutions:** Law on Credit Institutions No. 17/2017/QH14 passed by the National Assembly on November 20, 2017;
3. **Revised Law on Credit Institutions:** Law Amending and Supplementing Some Articles of Law on Credit Institutions No. 17/2017/QH14 dated November 20, 2017;
4. **Decree 59:** Decree No. 59/2009/NĐ-CP on Organization and Operations of Commercial Banks dated July 16, 2009;
5. **Decree 71:** Decree Guiding the Governance of Public Companies No. 71/2017/NĐ-CP dated June 6, 2017;
6. **Circular 44:** Circular No. 44/2011/TT-NHNN on internal control and internal audit systems of credit institutions and foreign bank branches;
7. **Circular 95:** Circular No. 95/2017/TT-BTC dated September 22, 2017 Providing Guidelines on Some Articles of Decree 71/2017/NĐ-CP Guiding the Governance of Public Companies.
8. **Sample Charter:** sample charter applicable to public companies issued under Circular 95/2017/TT-BTC dated September 22, 2017 Providing Guidelines on Some Articles of Decree 71/2017/NĐ-CP Guiding the Governance of Public Companies.
9. **Draft Charter:** draft Charter of VPBank which is currently reviewed, amended, and supplemented according to Revised Law on Credit Institutions and Decree 71.

Notes: in the summary table below, the amendments and supplements to the Regulation on Organization and Operations of Supervisory Board are in italic style and “proposed” column.

II. DETAILED AMENDMENTS AND SUPPLEMENTS:

No	Item	Current	Proposed	Reasons
	Article 2. Tasks and powers of the Supervisory Board	<ol style="list-style-type: none"> 1. Supervise the compliance with regulations of applicable laws and Charter of VPBank in the governance and administration of VPBank; be liable to the law and Annual General Meeting for the implementation of assigned tasks and powers. 2. Issue internal regulations of the Supervisory Board; annually review all internal regulations of the Supervisory Board, important accounting and reporting policies. 	<ol style="list-style-type: none"> 1. Supervise the compliance with regulations of applicable laws and Charter of VPBank in the governance and administration of VPBank; be liable to the law and Annual General Meeting for the implementation of assigned tasks and powers. 2. Issue internal regulations of the Supervisory Board; annually review all internal regulations of the Supervisory Board, important accounting and reporting policies. 3. <i>Appoint, remove from office, discipline, suspend,</i> 	<ul style="list-style-type: none"> - Supplement Item 3 according to Item 9, Article 1 of Revised Law on Credit Institutions; - Items 4 and 5: amended according to Item 1, Article 32 of Circular 44. - Item 7 is amended according to draft Charter; - Item 8 is supplemented

		<p>3. Be liable for the issues related to internal audit function, internal examination and control systems according to the State Bank of Vietnam's regulations. Have the rights to use independent consultants and access as well as receive sufficient, accurate and timely information and documents relating to the management and administration of VPBank in order to carry out assigned tasks and powers.</p> <p>4. Appraise annual and biannual financial statements of VPBank, including financial statements audited by independent audit firms. Report to the Annual General Meeting on appraisal results of financial statements, on the results of assessment of reasonability, legality, truthfulness and prudence in accounting, statistics and preparation of financial statements. The Supervisory Board may consult with the Board of Directors before submitting reports and proposals to the Annual General Meeting.</p> <p>5. Examine accounting books, other documents and the management and administration of VPBank as needed or under resolutions and decisions of the Annual General Meeting or at the request of major shareholder(s) or group(s) of major shareholders holding more than 10% of common stock of VPBank for at least six consecutive months. The Supervisory Board shall conduct the examination within 07 working days from the date of receipt of the request from the shareholder(s) or group(s) of shareholders. Within 15 days from the end of the examination, the Supervisory Board shall have to report and explain matters requested to be examined to the BOD and the requesting shareholder(s) or group(s) of shareholders. The examination by the Supervisory Board as stipulated in</p>	<p><i>and decide on salaries and other benefits of the job positions in Internal Audit function.</i></p> <p>4. <i>Be liable for issues related to Internal Audit function according to the State Bank of Vietnam's regulations.</i></p> <p>5. <i>Give directions, steer Internal Audit function to conduct independent, impartial review and assessment of internal control system according to the State Bank of Vietnam's regulations;</i></p> <p>6. Appraise annual and biannual financial statements of VPBank, including financial statements audited by independent audit firms. Report to the Annual General Meeting on appraisal results of financial statements, on the results of assessment of reasonability, legality, truthfulness and prudence in accounting, statistics and preparation of financial statements. The Supervisory Board may consult with the Board of Directors before submitting reports and proposals to the Annual General Meeting.</p> <p>7. Check accounting books, other documents and the management and administration of VPBank as needed or under resolutions and decisions of the Annual General Meeting or at the request of major shareholder(s) or group(s) of major shareholders <i>according to legal provisions</i>. The Supervisory Board shall conduct the examination within 07 working days from the date of receipt of the request from the requester(s). Within 15 days from the end of the examination, the Supervisory Board shall have to report and explain matters requested to be examined to the BOD and <i>the requesting individual(s) or organization(s)</i>. The examination by the Supervisory Board as stipulated in this clause shall not obstruct or interfere with normal management and administration of VPBank's business operations</p> <p>8. <i>Promptly notify the Board of Directors in writing within 48 (forty eight) hours when finding out that members of the Board of Directors, the Chief Executive Officer, managers, or managerial officers commit acts of violating laws or the Charter and</i></p>	<p>according to Item 4, Article 22 of Decree 71.</p> <p>- Items 9 and 11 are amended according to draft Charter.</p>
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		<p>this clause shall not obstruct or interfere with normal management and administration of VPBank's business operations.</p> <p>6. Promptly notify the Board of Directors when finding out that VPBank's managers commit acts of violating applicable laws and the Charter and require the violators to terminate such violations and take remedial measures, if any. Prepare a list of affiliated persons of the members of the Board of Directors, the Supervisory Board, the Chief Executive Officer, founding shareholders, and major shareholders of the Bank; archive and update this list.</p> <p>7. Propose the Board of Directors to organize extraordinary meetings or to convene an extraordinary Annual General Meeting according to the Charter of VPBank.</p> <p>8. Convene extraordinary Annual General Meeting in case the Board of Directors makes a decision seriously violating provisions of the Law, VPBank's Charter and other cases according to provisions of the VPBank's Charter.</p> <p>9. Propose to the Board of Directors or Annual General Meeting the changes, additions, and improvements to the organizational structures for administering, supervising, and managing VPBank's business operations.</p> <p>10. Have the right to attend and participate in discussions at Annual General Meetings, meetings of the Board of Directors and other meetings of VPBank.</p> <p>11. Other tasks and powers according to VPBank's Charter and applicable legal regulations.</p>	<p><i>require the violators to terminate such violations and resolve the consequences¹.</i></p> <p>9. <i>Prepare a list of founding shareholders, major shareholders and affiliated persons of the members of the Board of Directors, the Supervisory Board, the Chief Executive Officer; regularly archive and update this list upon changes.</i></p> <p>10. Propose the Board of Directors to organize extraordinary meetings or to convene an extraordinary Annual General Meeting according to the Charter of VPBank.</p> <p>11. Convene extraordinary Annual General Meeting in case the Board of Directors makes a decision seriously violating provisions of the Law, <i>this Charter, or beyond its assigned authorities and other cases according to provisions of the VPBank's Charter.</i></p> <p>12. Administer business operations of VPBank.</p> <p>13. Other tasks and powers according to VPBank's Charter and applicable legal regulations.</p>	
	Article 4.	1. To organize the implementation of tasks and	1. To organize the implementation of tasks and powers	- Item 5 is amended according

¹ Item 4, Article 22 of Decree 71/2017/NĐ-CP Guiding the Governance of Public Companies.

<p>Tasks and powers of the Head of Supervisory Board</p>	<p>powers of the Supervisory Board according to this Regulation.</p> <ol style="list-style-type: none"> 2. To prepare the meeting agendas of the Supervisory Board in consideration of issues and of areas of interest of members of the Supervisory Board regarding to tasks and powers of the Supervisory Board; to convene and chair meetings of the Supervisory Board. 3. To sign documents under the authority of the Supervisory Board. 4. For and on behalf of the Supervisory Board, to convene extraordinary Annual General Meeting or propose the Board of Directors to summon an extraordinary meeting according to VPBank’s Charter and relevant legal documents. 5. To prepare the work plan and task assignment for members of the Supervisory Board according to VPBank’s internal regulations. 6. To ensure that members of the Supervisory Board shall receive complete, objective, accurate, and full information and have enough time to discuss on the issues that must be considered by the Supervisory Board. 7. To supervise and direct members of the Supervisory Board to perform all assigned tasks, and the tasks and powers of the Supervisory Board. 8. To authorize another member of the Supervisory Board to carry out his/her duties in case of absence. <p>Other tasks and powers according to VPBank’s Charter and applicable legal regulations.</p>	<p>of the Supervisory Board according to this Regulation.</p> <ol style="list-style-type: none"> 2. To prepare the meeting agendas of the Supervisory Board in consideration of issues and of areas of interest of members of the Supervisory Board regarding to tasks and powers of the Supervisory Board; to convene and chair meetings of the Supervisory Board. 3. To sign documents under the authority of the Supervisory Board. 4. For and on behalf of the Supervisory Board, to convene extraordinary Annual General Meeting or propose the Board of Directors to summon an extraordinary meeting according to VPBank’s Charter and relevant legal documents. 5. <i>To attend meetings of the Board of Directors and express opinions without voting right. To require to record his/ her opinions in the meeting minutes of the Board of Directors if his/ her opinions are different from resolutions and decisions of the Board of Directors and report to the Annual General Meeting upon request.</i> 6. To prepare the work plan and task assignment for members of the Supervisory Board. 7. To ensure that members of the Supervisory Board shall receive complete, objective, accurate, and full information and have enough time to discuss on the issues that must be considered by the Supervisory Board. 8. To supervise and direct members of the Supervisory Board to perform all assigned tasks, and the tasks and powers of the Supervisory Board. 9. To authorize another member of the Supervisory Board to carry out his/her duties in case of absence. 10. <i>To require the Board of Directors, the Chief Executive Officer and other managers to provide relevant information to report to the Supervisory Board.</i> 11. Other tasks and powers according to VPBank’s Charter and applicable legal regulations. 	<p>to Article 46 of Law on Credit Institutions and in line with draft Charter;</p> <p>- Item 10 is amended in line with draft charter.</p>
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<p>Article 8. Standards and Conditions on Members of Supervisory Board</p>	<p>1. Members of the Supervisory Board shall meet the following standards and conditions:²</p> <p>a) Not being subject to Item 1, Article 33 of Law on Credit Institutions 2010;</p> <p>b) Having professional ethics on the basis of compliance with Articles 32 and 33 of VPBank’s Charter;</p> <p>c) Having a bachelor degree or higher degree in economics, business administration, law, accounting or auditing; with at least three years of working experience directly in the banking, finance, accounting or auditing sector;</p> <p>d) Not being an affiliated person of manager(s) at the credit institution;</p> <p>e) Member of Supervisory Board shall not concurrently hold one of the following positions:</p> <p>e.1 A member of the Board of Directors, an executive, a staff member of VPBank or its subsidiary or an employee of an enterprise at which a member of the Board of Directors, the Chief Executive Officer of VPBank is a member of the Board of Directors, an executive or major shareholder of that company;</p> <p>e.2 A member of the Board of Directors, a member of Members’ Council, an executive at an enterprise of which a member of the Supervisory Board is a member of the Board of Directors, executive at VPBank.</p> <p>2. Head of Supervisory Board shall meet the following standards and conditions:</p> <p>a) Head of Supervisory Board shall not concurrently be a member of the Supervisory Board or manager at another credit institution;</p> <p>b) Meet the standards and conditions under Item 1, Article 8 herein.</p>	<p>1. Members of the Supervisory Board shall meet the following standards and conditions:</p> <p><i>a) Being 21 years old or more, having full civil act capacity;</i></p> <p><i>b) Meeting the conditions under Articles 26 and 27 of VPBank’s Charter;</i></p> <p><i>c) Having professional ethics on the basis of compliance with Articles 32 and 33 of VPBank’s Charter;</i></p> <p><i>d) Having bachelor degree or postgraduate degree in economics, business administration, law, accounting or auditing; with at least three years of working experience directly in the banking, finance, accounting or auditing sector;</i></p> <p><i>e) Not holding managerial positions at VPBank; not being required to be a shareholder or employer of VPBank;</i></p> <p><i>f) Not being an affiliated person of manager(s) at VPBank;</i></p> <p><i>g) Member of Supervisory Board must reside in Viet Nam during the office term.</i></p> <p><i>h) Not working at accounting or finance function of VPBank;</i></p> <p><i>i) Not being a member or employee of the independent audit firm which audits VPBank’s financial statements in three (03) preceding previous years.</i></p> <p>2. Head of Supervisory Board shall meet the following standards and conditions :</p> <p>a) Head of Supervisory Board shall not concurrently be a member of the Supervisory Board or manager at another credit institution ;</p> <p>b) Meet the standards and conditions under Item 1, Article 8 herein.</p> <p>3. <i>Head and members of Supervisory Board shall meet other standards and conditions stipulated under the law (if any.)</i></p>	<p>Amended in line with the draft Charter and supplemented with Point h) and i) in line with Article 20 of Decree 71 and Item 2, Article 31 of Sample Charter;</p>
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² Article 50 of Law on Credit Institutions: items a-d; and Item 2, Article 34 of Law on Credit Institutions: item e

	Article 11. Relief from duty and dismissal (Item 1, Point k)		Supplementing Point k) k) <i>Provide wrong information to VPBank as a candidate for Supervisory Board</i>	In accordance with the Sample Charter (Item 3, Article 2)
	Article 13. Organizational structure of Supervisory Board (Item 1,5)	1. Supervisory Board has at least three members, of which at least one-half are full-time. The Board shall elect one member as Head.	2. Supervisory Board has at least three members, of which at least one-half are full-time and <i>not concurrently holding other positions or works at VPBank or other enterprises</i> . The Board shall elect one member as Head. Supplementing Item 5 5. <i>Supervisory Board has an assistant team. Internal Audit unit is allowed to use resources of credit institutions, hire experts and external organizations to perform their tasks.</i>	Supplemented in line with Article 44 of Law on Credit Institutions and the draft Charter
	Article 15. Meetings of the Supervisory Board (Item 3, 4, 5 and 7)	3. Within 15 (fifteen) days from the date of receipt of request from one of the above-mentioned individuals, Head of Supervisory Board shall convene and conduct extraordinary meeting. Where Head of Supervisory Board does not convene extraordinary meeting after two consecutive requests, BOD and Supervisory Board members shall report to provincial branch of the SBV where the Bank's head office is based and conduct a Supervisory Board meeting to handle the issues, as well as decide on the relief from duty or dismissal of Head of Supervisory Board, elect an eligible member as Head of Supervisory Board and send a notice to the SBV in accordance with applicable regulations, or decide to organize an Extraordinary General Meeting to handle unsolved issues (if any). 4. Supervisory Board shall be conducted after three days from the date of sending notification to Supervisory Board members. Time to send notification can be shorter in case of extraordinary meetings up to Head of Supervisory Board's decision. Notification	3. Within 7 (seven) days from the date of receipt of request from one of the above-mentioned individuals, Head of Supervisory Board shall convene and conduct extraordinary meeting. Where Head of Supervisory Board does not convene extraordinary meeting after two consecutive requests, BOD and Supervisory Board members shall report to provincial branch of the SBV where the Bank's head office is based and conduct a Supervisory Board meeting to handle the issues, as well as decide on the relief from duty or dismissal of Head of Supervisory Board, elect an eligible member as Head of Supervisory Board and send a notice to the SBV in accordance with applicable regulations, or decide to organize an Extraordinary General Meeting to handle unsolved issues (if any). 4. Supervisory Board shall be conducted after <i>three days</i> from the date of sending notification to Supervisory Board members. Time to send notification can be shorter in case of extraordinary meetings up to Head of Supervisory Board's decision. Notification on Supervisory Board shall be made in Vietnamese, specifying the agenda, time, venue and attached with documents about issues to be discussed and voted on at the meeting.	Amended in line with Article 153 of Law on Enterprises and the draft Charter

		<p>on Supervisory Board shall be made in Vietnamese, specifying the agenda, time, venue and attached with documents about issues to be discussed and voted on at the meeting. Supervisory Board members who are unable to attend the meeting can send their written opinions in a sealed envelope to the Chair at least one hour before the opening time. These written opinions shall only be disclosed in the presence of all meeting attendants.</p> <p>5. Supervisory Board meeting shall be conducted where it is attended by at least two third of the Board's members or authorized persons. Where number of participants in the first meeting is less than the required number, the second meeting shall be convened <i>within seven days</i> after the proposed opening date of the first meeting. The second meeting shall be conducted where it is attended by at least 50% of the Board's members. Where the number of participants in the second meeting is less than the required number, Head of Supervisory Board shall notify the BOD and request for Extraordinary General meeting within 30 days to review the eligibility of the Board's members not attending the meeting.</p> <p>6. Each Supervisory Board member shall have one vote. Where any member cannot present directly, he/she may assign his/her voting right in writing to another member (who also has voting right). Supervisory Board member whose interests related to the issue to be voted on shall not be able to vote on or to be authorized by another member to participate in voting on that issue.</p> <p>7. A Supervisory Board's decision shall be passed if it is approved by a majority of votes from meeting attendants. In cases where the numbers of votes are equal, the party supported by the vote of Head of Supervisory Board, authorized person of Head of Supervisory Board or the member elected as</p>	<p>Supervisory Board members who are unable to attend the meeting can send their written opinions in a sealed envelope to the Chair at least one hour before the opening time. These written opinions shall only be disclosed in the presence of all meeting attendants.</p> <p>5. Supervisory Board meeting shall be conducted where it is attended by at least two third of the Board's members or authorized persons. Where number of participants in the first meeting is less than the required number, the second meeting shall be convened <i>within seven days</i> after the proposed opening date of the first meeting. The second meeting shall be conducted where it is attended by at least 50% of the Board's members. Where the number of participants in the second meeting is less than the required number, Head of Supervisory Board shall notify the BOD and request for Extraordinary General meeting within 30 days to review the eligibility of the Board's members not attending the meeting.</p> <p>6. Each Supervisory Board member shall have one vote. Where any member cannot present directly, he/she may assign his/her voting right in writing to another member (who also has voting right). Supervisory Board member whose interests related to the issue to be voted on shall not be able to vote on or to be authorized by another member to participate in voting on that issue.</p> <p>7. A Supervisory Board's decision shall be passed if it is approved by <i>at least 51%</i> of votes from meeting attendants. In cases where the numbers of votes are equal, the party supported by the vote of Head of Supervisory Board, authorized person of Head of Supervisory Board or the member elected as the Chair (in case Head of Supervisory Board cannot attend the meeting or does not convene meeting as per request) shall be prevail.</p>	
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		the Chair (in case Head of Supervisory Board cannot attend the meeting or does not convene meeting as per request) shall be prevail.		
	Article 16. Procedures for collecting written opinions of Supervisory Board members (Item 9)	<p>8. Decisions adopted by collecting written opinions from Supervisory Board members shall be as valid as those adopted at the Supervisory Board meetings if:</p> <p>a. The issues required to ask for opinions were approved by the majority of Supervisory Board members that have the right to vote on the issues;</p> <p>b. The number of members having the right to vote in writing shall meet the conditions on number of members required to conduct Supervisory Board meeting.</p>	<p>9. Decisions adopted by collecting written opinions from Supervisory Board members shall be as valid as those adopted at the Supervisory Board meetings if:</p> <p>a. The issues required to ask for opinions were approved by at least 51% of Supervisory Board members that have the right to vote on the issues;</p> <p>b. The number of members having the right to vote in writing shall meet the conditions on number of members required to conduct Supervisory Board meeting.</p>	Amended as per Law on Enterprises 2014 and updated as per the Charter