

**VIETNAM PROSPERITY JOINT-  
STOCK COMMERCIAL BANK  
(VPBANK)**

**SOCIALIST REPUBLIC OF VIETNAM**  
*Independenc - Freedom - Happiness*  
-----\*\*\*-----

\*\*\*

89 Lang Ha - Dong Da – Hanoi  
Corporate Registration number: 0100233583  
Issued for the first time on September 8, 1993  
Amended for the 41st time on November 27,  
2018

*Hanoi, April , 2019*

**DRAFT RESOLUTION**

**VPBANK’S ANNUAL GENERAL MEETING 2019**

1. **Passing of VPBank’s standalone and consolidated financial statements for fiscal year ended December 31, 2018 audited by Ernst and Young Vietnam Ltd.**
2. **Passing of the Business Performance Report 2018 and Action plan 2019 with the following indicators (Annex 01)**

**Business performance 2018:**

No	Indicators	Actual 2018 (VND bil)	Budget 2018 (VND bil)	Actual vs Budget 2018 (%)	Actual 2018 vs 2017 (%)
1	Total asset	323.291	359.477	90%	16.4%
2	Customer deposits and valuable papers issued	219.509	241.675	91%	9.9%
3	Loan balance	230.790	243.320	95%	17.3%
	In particular: customer loans	221.962	229.148	97%	21.5%
4	NPL ratio	3,2%	<3%		
5	Profit before tax	9.198	10.800	85%	13.1%

**Business targets 2019:**

NO.	Indicators (VND bin, %)	2019 Plan	% Growth
1	Total assets	373,649	16%
2	Deposit from customer and valuable paper issued	252,435	15%

3	Credit to customers	265,408	15%
4	NPL (bank single)	< 3%	(N/A)
5	Profit before tax	9,500	Increase 3% compare with 2018 (if exclude one off income from insurance, PBT will increase 14% compare with 2018)

**3. Passing of the Board of Directors' full report (Annex 02)**

**4. Passing of the Supervisory Board's full report (Annex 03)**

**5. Passing of profit distribution plan 2018 (Annex 04)**

Based on the audited standalone and consolidated financial statements 2018, the Board of Directors hereby proposes to the AGM the profit distribution plan 2018 as follows:

No.	Items	Amount (VNDmil)
<b>1</b>	VPBank's consolidated profit after tax (*)	<b>7,355,568</b>
<b>2</b>	Total funds appropriation (*)	<b>3,924,391</b>
2.1	Reserve to supplement charter capital (mandatory) (*)	367,779
	Including	
2.1.1	VPBank's reserve to supplement charter capital	202,997
2.1.2	VPB FC's (FE Credit) reserve to supplement charter capital	164,717
2.1.3	VPB AMC's reserve to supplement charter capital	65
2.2	Financial reserve (mandatory) (*)	735,428
	Including	
2.2.1	VPBank's financial reserve	405,994
2.2.2	VPB FC's (FE Credit) financial reserve	329,434
2.3	Investment and development fund	2,821,184
	Including	
2.3.1	VPBank's investment and development fund	21,000
2.3.2	VPB FC's (FE Credit) investment and development fund	2,800,184
3=1-2	Undistributed profits in 2018 after fund appropriation	<b>3,431,177</b>
4=3+2.3.2	Total profit and investment & development fund in 2018 for distribution and bonus	<b>6,231,361</b>

(\*) Note: figures from audited consolidated financial statements

To facilitate the distribution of profit and fund in accordance with State Bank of Vietnam's (SBV) policies, it is proposed that the AGM delegate and authorize the BOD to decide on the profit and fund distribution plan 2018 of VPBank and its subsidiaries as per legal regulations and SBV's stipulations.

Passing retaining undistributed profits in the form of retained earning and also not distribute development investment funds; reserve fund to supplement charter capital ... to retain capital for business activities of VPBank.

## 6. Treasury shares

Pursuant to the resolutions of AGM 2018, VPBank has repurchased 73,219,600 preferred shares and kept them as treasury shares. The repurchase was funded with share premium and investment and development fund, totalling VND **2,489,232,097,255** (excluding the transfer fee of 0.1% of the transfer value according to the law, this transfer fee continues to be used from capital surplus and investment and development fund)

The AGM confirmed the unification through the conversion of preferred shares into ordinary shares and the Bank acquires into treasury shares as at present (this is additional content when implementing the relevant processes - if need).

After the share transfer period ends according to the law, the treasury shares can be given as bonus shares for shareholders/ put up for preferential sales under ESOP/ sold to other investors. Accordingly, after considering all advantages/disadvantages of different options of using treasury shares, the BOD would like to propose to sell treasury shares at preferential prices instead of new share issuance plans for selected staff members under ESOP. It is proposed that the AGM shall approve the treasury shares sale plan in the form of selling at preferential prices for selected employees under ESOP with details as follows:

**Total number of treasury shares before selling:** 73,219,600 shares

**Total amount of treasury shares used to sell at preferential price to employees:** 31,000,000 shares

**Purpose of treasury shares sale plan:** implement preferential policies to retain talents and employees who make great contributions to the development and profitability of the Bank.

**Pricing:** VND 10,000/share paid by employees themselves.

**Owner's equity is used to offset the difference between the price of buying / selling treasury shares:** capital surplus and investment and development fund.

**Tentative timing:** expected 2Q2019 or depend on the implementation of procedures as prescribed by law.

**Conditions of transfer restriction:** Employees are allowed to purchase treasury shares at preferential prices, provided that the transfer limit is within 3 years and gradually relocated at the following rates: 30% of the shares will be released after 01 year; 35% of the shares will be released after 02 years; 35% of the shares will be released after 3 years from the end of the sale. The benefits arising from the number of shares purchased (if any) will not be restricted to transfer. In case the employee terminates the labour contract with the Bank before the deadline for transfer

restriction, it will be required to resell to VPBank the number of shares with restricted transfer accordingly, with the resale price equals to the price at the original offer.

**Authorized tasks to the BOD:**

- Assign and authorize the Board of Directors to determine issues related to the sale of treasury shares at preferential prices to employees. Including but not limited to the following matters: Method of selling treasury stocks, Time of implementation, Select securities companies to act as agents (if necessary); Perform procedures in accordance with the law on selling, transferring, depositing and additional listing...and decide on other relevant matters required by these regulations with regulatory agencies.
- Authorize the Board of Directors to adopt criteria, time and list of employees entitled to purchase treasury shares at preferential prices; decisions such as binding policies / requirements related to treasury share that are sold at preferential prices; Decide policies, regulations and conditions related to the acquisition of shares of retired employees, including that VPBank Trade Union will take over the name, and conditions for redistribute to other employees; Union funds will be used for acquisitions and other related issues.
- Allow the Board of Directors to authorize Chairman or Chief Executive Officer to exercise the above authorized rights/tasks.

**7. Agreement on amendment to transfer restriction on shares issued under ESOP in 2018**

-Transfer restriction for issuance plan 2018: 100% of the ESOP shares are subject to three-year transfer restriction from the finalization date of the issuance.

-Amended restriction: the ESOP shares are subject to three-year transfer restriction and shall be gradually unlocked with the ratio as follows: 30% of the ESOP shares shall be unlocked after one year; 35% of the ESOP shares shall be unlocked after two years; 35% of the ESOP shares shall be unlocked after three-year from the finalization date of the issuance. Other conditions remain unchanged.

The BOD is responsible for finalizing the documents and procedures with competent agencies on the issuance, transaction date registration, etc. for the shares of staff when the transfer restriction time is over as per the above amendment at corresponding periods of time.

**8. Passing of remuneration and operating budget 2019 of VPBank's Board of Directors and Supervisory Board as follows:**

- 0.5% x consolidated profit before tax.

This formula for calculating operating budget shall be adopted from 2019 onward, except otherwise supplemented or amended by other AGM's resolutions.

**9. Passing of the plan for raising charter capital 2019 by private placement for local and foreign investors**

- **Purpose:** supplement the owner's equity, serving the operation and needs of growth of the bank.
- **Type of shares:** common

- **Face value:** VND 10,000/share
- **Maximum offer:** Around 260 million shares. The specific number of shares issued shall be calculated at the time of issuance to lift the ratio of foreign ownership/charter capital to the maximum of 30%.
- **Implementation method:** Private placements to local and/or foreign investors.
- **Eligible buyers:** less than 100 local and/or foreign investors who meet the requirements to purchase shares issued by a Vietnam credit institution as per applicable laws.
- **Price:** to be determined by book building or other suitable methods, striving for the ultimate goal of bringing efficiency for the bank.
- **Number of placement in the year:** 01.
- **Execution:** within the period of 2019-2020. Specific timing shall be subject to the market's conditions and procedures stipulated by laws.
- **Restriction time:** at least 1 year as stipulated by laws.
- **The proceeding from such placement** shall be invested in fixed assets and supplementing middle-and-long-term capital of VPBank.
- The BOD is assigned to decide on the implementation after completing the procedures with competent agencies as per applicable laws.
- The placement method is not applicable to BOD, Supervisory Board and CEO of VPBank.
- Note: Investors purchasing shares of VPBank in such private placement are responsible to their source of funding. VPBank's BOD takes no responsibility in examining the investors' source of funding.

Assuming VPBank's success in issuing 260,000,000 shares from the placement (including selling treasury shares for the investors), the increase of charter capital is estimated as follows:

<b>Item</b>	<b>Before</b>	<b>After</b>
<b>Total shares</b>	2,529,967,966	2,789,967,966
Charter capital (VND)	25,299,679,660,000	27,899,679,660,000

**The plan to use capital surplus:**

Apart from enhancing financial capability and ensuring prudential ratios, VPBank plans to use the capital surplus to raise mid- and long-term capital to serve credit growth.

**Additional depository registration and listing of additional shares issued:**

After raising charter capital by taking the above actions, VPBank shall conduct additional depository registration for all the additional shares issued with Vietnam Securities Depository and supplemental listing of all the new shares at Ho Chi Minh Stock Exchange.

**Agreement on contents related to capital raise and authorized tasks to the BOD for all batches:** To facilitate the aforementioned processes of raising charter capital, the AGM delegates and authorizes the BOD to perform the following tasks:

- The BOD is authorized to decide on specific time to implement of raising capital, depending on the procedures/time approved by competent agencies, the actual situation of the Bank, and negotiations with other relevant parties.
- Decide on the foreign ownership ratio/charter capital of the bank (if necessary) that is suitable to and beneficial for the actual situation of each period of issuance/distribution and implement supplementation/registration procedures with competent agencies.
- Decide on the offer price, negotiation plans, plans on conducting buying/selling transactions, criteria for selecting investors and the selection of particular investors to offer for sale during private placement.
- Decide on the raised/issued amount of charter capital/shares in comparison with the estimated figures in the aforementioned charter capital raising plan as a result of performing the following tasks: (i) sell treasury share with prentail price under ESOP, (ii) results of private placements to investors, ....
- Decide on continuing to carry out capital raise plans in 2020 or adopting appropriate measures on the basis of actual situations and for the interest of shareholders in case VPBank fails to raise its charter capital in 2019.
- Decide on signing contracts, transaction materials, and related documents to carry out the aforementioned capital raises.
- Implement the procedures required for raising charter capital as stipulated by the law (including procedures of certificate and Charter amendment, business registration, depository registration and supplemental listing of all shares issued, and other relevant ones), decide on amending, supplementing and finalizing all issues and contents of the plan for raising charter capital (including contents which have not been stated in plan), and finalize other documents required for raising charter capital.

**10. Agreeing on several guidelines and task delegation and allocation to the Board of Directors as follows (Annex 07):**

- 10.1 Agree on the plan to establish or acquire subsidiaries and affiliated companies in order to conduct the permitted business lines according to the provisions of law and relevant guidelines, including but not limited to the following business: finance leasing; insurance, etc. or opportunities to associate, merge or contribute capital or other forms of businesses with other credit institutions in compliance with the provisions of law and according to the practical conditions of the Bank. Authorize the Board of Directors to decide on the specific cases.
- 10.2 Agree on the plan to buy, sell, split up, spin off, merge, integrate, convert legal forms of business, dissolve or initiate bankruptcy procedures of the Bank's subsidiaries if necessary and beneficial to the Bank and its subsidiaries. To authorize and delegate the BOD to

perform all tasks related to this plan in compliance with the provisions of law and the Bank's direction, for the best interest of the Bank and its subsidiaries.

10.3 Agree on the plan for deposit transactions between the bank and VPBank Finance Company to meet the business corporation demand and in line with the stipulated law. To authorize the BOD to decide on the deposit transactions and contracts valued at more than 20% of the bank's charter capital at the bank's subsidiaries.

10.4 Authorize and delegate the BOD to decide on issues under the power of the owners of the Bank's subsidiaries.

10.5 Authorize and delegate the BOD to decide on organizational structure and managerial and executive apparatus of the Bank, the bank's brand and image usage and management, etc.

10.6 Authorize and assign the Board of Directors to decide on solutions to tackle major financial volatilities of the Bank,

10.7 Agree on the raise of ownership stake of foreign investors up to the maximum level of 30% of the Bank's charter capital after the private placement to domestic and foreign investors in 2019 (It is agreed that there shall be no adjustment in the foreign stake compared to the bank's charter capital for other placements). To authorize the BOD to decide on specific ratios suitable to the actual situations and most beneficial to the Bank; and to carry out the adjustment/registration procedures with competent agencies (if any).

#### **11. Passing of amendments and supplements to VPBank's operating licence (Annex 08)**

- (i) Continue trying to obtain licence for the business activities already proposed to the SBV and obtain licence for new/additional business activities in VPBank's operating licence.

<b>NO.</b>	<b>ACTIVITIES</b>
<b>I. Business activities proposed for licence grant from the SBV</b>	
1	Provide commodities derivatives products
2	Structured deposit
3	Entrustment in payment services
<b>II. Business activities proposed to supplement to VPBank's Operating Licence</b>	
1	Trade, provide derivatives products concerning FX, interest, currency and other financial asset in domestic and foreign markets
2	Bond issuing agent

#### **Assign the following tasks to the Board of Directors:**

- ✓ Decide on related issues when making amendments and supplements to the Licence under point 2 above including supplementation, clarification, and revision in compliance with legal regulations, the SBV's requirements, and actual situation.

- ✓ Decide on and register with/submit to the SBV and governmental authorities the amendments and/or supplements to Licence under Item 2 above.
- ✓ Decide on and submit to competent agencies the supplements and amendments to Licence on Establishment and Operations of VPBank and information about shareholders, charter capital and other related information upon changes to VPBank's Certificate of Business Registration,
- ✓ Decide on the registration of amended and supplemented business activities in Licence on Establishment and Operations of VPBank under item 2 stated above when amendments and supplements must be made in accordance with legal regulations, requirements of competent state agencies and/or according to actual situations

**12. Passing of revised Charter of VPBank and task delegations to the Board of Directors (Annex 09) as follows:**

- ✓ Passing of the amendments and supplements to VPBank's Charter included in attached document. (ANNEX 09)
- ✓ Delegation for the BOD to decide on issues related to the amendments and supplements to VPBank's Charter in line with paragraph 1 above, including the addition, clarification and revision of the contents and rearrangement of the articles, clauses and points in accordance with legal regulations and actual situation.
- ✓ Delegation for the BOD to decide on issues related to the application/ submission for amendments and supplements to VPBank's charter regarding the 2 above paragraphs to the SBV and relevant authorities.

**13. Passing of draft Regulations on the Operation of the Board of Directors (Annex 10)**

- ✓ Passing of the amendments to the Regulation on the Organization and Operation of the Board of Directors included in the attached Annex 09.
- ✓ Delegation for the BOD to decide on issues related to the amendments and supplements to the Regulation on the Organization and Operation of the Board of Directors in line with paragraph 1 above, including the addition, clarification and revision of the contents and rearrangement of the Articles, clauses and points in accordance with legal regulations and actual situation.
- ✓ Delegation for the BOD to review and decide on the amendments and supplements to Regulation on the Organization and Operations of the Board of Directors if necessary to align with actual situation and ensure management and governance efficiency during the interval between two AGMs.

**14. Passing of draft Regulation on the Operation of the Supervisory Board (Annex 11).**

- ✓ Passing of the amendments to the Regulation on the Organization and Operation of the Supervisory Board included in the attached document.
- ✓ Delegation for the BOD to decide on issues related to the amendments and supplements to the Regulation on the Organization and Operation of the Supervisory Board, including the addition, clarification and revision of the contents and rearrangement of the Articles,



clauses and points in accordance with legal regulations and actual situation.

- ✓ Delegation for the Supervisory Board to review and decide on the amendments and supplements to the Regulation on the Organization and Operation of the Supervisory Board if necessary to align with actual situation during the interval between two AGMs.

**14.** Agreeing on addition number member of Supervisory Board and election of additional for the period 2015-2020 members included in the attached Annex 12.

**PP/ BOARD OF DIRECTOR  
CHAIRMAN**

**Ngo Chi Dzung**