

# **CONDITIONS ON ELECTION AND NOMINATION FOR MEMBERSHIP OF THE BOD AND SUPERVISORY BOARD**

(Attached with Notice No 08/2020/TB-HĐQT dated January 21, 2020)

## **I. Citing Law No 47/2010/QH12 on Credit Institutions and Law on amendment and supplement to Law No. 17/2017/QH14 on Credit Institutions**

### **Article 33. Cases banned from holding posts**

1. The following persons may not be members of the Board of Directors, Members' Council and Supervisory Board, Director General (Director), Deputy Director General (Deputy Director) and holders of equivalent titles of a credit institution:

a/ Those defined in Clause 2 of this Article;

b/ Those banned from acting as managers and executives under the laws on cadres and civil servants and corruption prevention and control;

c/ Those who used to be owners of private enterprises, partners of partnerships, Directors General (Directors), members of Boards of Directors, Members' Councils and Supervisory Board of enterprises, chairmen and members of cooperative management boards at the time enterprises or cooperatives are declared bankrupt, except cases of bankruptcy in force majeure circumstances;

d/ Those who used to be representatives-at-law of enterprises at the time these enterprises are suspended from operation or compelled to dissolve due to their serious violations of law, except cases in which the representatives-at-law are recommended by competent state agencies to reorganize and consolidate those enterprises;

e/ Those who were once suspended from holding the title of chairman of the Board of Directors, member of the Board of Directors, chairman of the Members' Council, member of the Members' Council, head of the Supervisory Board, member of the Supervisory Board or Director General (Director) of a credit institution under Article 37 of this Law or determined by a competent agency as having committed violations leading to the revocation of the credit institution's license;

f/ Affiliated persons of members of the Board of Directors or Members' Council or Director General (Director) may not act as members of the Supervisory Board of the same credit institution;

g/ Related persons of the chairman of the Board of Directors or Members' Council may not act as Director General (Director) of the same credit institution.

h) Persons who are held liable under audit findings which lead to administrative sanctions on credit institutions and foreign bank branches for violations in the banking and/or monetary sector with the highest amount of financial penalty for violations of regulations on license, management, governance, stock, share, capital contribution, credit extension, corporate bond purchase, prudential ratios as stipulated by the law on handling administrative violations the banking and/or monetary sector

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### **Article 34. Cases banned from concurrently holding different posts**

1. The Chairman of the Board of Directors and Chairman of Members' Council of a credit institution shall not be concurrently an executive of that and other credit institutions, except for that the Chairman of the BOD of a people's credit fund can concurrently be a member of the BOD of a cooperative bank. A member of the BOD or Members' Council of a credit institution shall not be concurrently the manager at another credit institution, except that other institution is the subsidiary of the credit institution or a member of its Supervisory Board.

2. The head of the Supervisory Board may not concurrently be a Supervisory Board member or manager of another credit institution. A Supervisory Board member may not concurrently hold either of the following posts:

a/ Member of the Board of Directors or Members\* Council, executive or employee of the same credit institution or its subsidiary, or employee of an enterprise whose member of the Board of Directors, executive or major shareholder is a member of the Board of Directors or Members' Council, or the Director General (Director) of that credit institution;

b/ Member of the Board of Directors or Members' Council or executive of an enterprise whose Supervisory Board member is currently a member of the Board of Directors or Members' Council or executive of the credit institution.

3. The Chief Executive Officer (Director), Deputy Chief Executive Officer (Deputy Director) and other equivalent titles of a credit institution shall not be concurrently a member of the Board of Directors, Members' Council and the Supervisory Board of another credit institution, except the other credit institution is subsidiary of the credit institution. Deputy Chief Executive Officer (Deputy Director) and other equivalent titles of a credit institution shall not concurrently be the Chief Executive Officer (Director), Deputy Chief Executive Officer (Deputy Director) and other equivalent titles of other credit institutions.

4. The Chairman of the Board of Directors, Chairman of the Members' Council, Chief Executive Officer (Director) of a credit institution may not concurrently hold the position of Chairman of the Board of Directors, member of the Board of Directors, Chairman of the Members' Council, member of the Members' Council, Chairman, Chief Executive Officer (Director), Deputy Chief Executive Officer (Deputy Director) or equivalent posts of another enterprise.

**Article 50. Criteria and conditions for managers, executives and holders of some other posts of a credit institution**

1. Member of the BOD and Members' Council must fully meet the following criteria and conditions:

a/ Being other than those defined in Clause 1, Article 33 of this Law;

b/ Possessing professional ethics;

c) Having a bachelor's degree or higher;

d) Have worked as a manager or executive at a credit institution for at least 03 years, or at a business in the field of finance, banking, accounting or auditing for at least 05 years, or another enterprise of which the minimum equity is equivalent to the legal capital applicable to the corresponding credit institution type, or have worked directly at a finance, banking, accounting or auditing function for at least 05 years.

2. An independent member of the Board of Directors shall be required to satisfy not only the criteria and conditions specified in Paragraph 1 of this Article but also the following conditions:

a) Neither currently working for the very credit institution or subsidiary of the credit institution nor having ever worked for the very credit institution or subsidiary of the credit institution for the 03 preceding years;

b) Not receiving salary or regular remuneration from the credit institution other than allowances for members of the Board of Directors under regulations.

c) Not having a spouse, parent, child, sibling or spouse of any such person who is a major shareholder of the credit institution, manager or member of the Supervisory Board of the credit institution or its subsidiary.

d) Neither directly nor indirectly owning or representing ownership of 1% or more of the charter capital or the voting share capital of the credit institution; not in conjunction with a related person holding 5% or more of the charter capital or the voting share capital of the credit institution;

đ) Not being a manager or a member of the Supervisory Board of the credit institution at any time within the 05 preceding years

3. A Supervisory Board's member must fully meet the following criteria and conditions:

a) Being other than those defined in Clause 1, Article 33 of this Law;

b) Possessing professional ethics;

c) Holding a tertiary or higher degree in economics, business administration, law, accounting or audit: having at least 3 years working directly in banking, finance, accounting or audit;.

d) Not being an affiliated person of a manager of the credit institution;

đ) Residing in Vietnam during his/her office term, for a full-time Supervisory Board member

### **III. Citing Law No 68/2014/QH13 on Enterprises**

#### **Article 114. Rights of ordinary shareholders**

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2. Any shareholder or group of shareholders that holds at least 10% of ordinary shares for at least 06 consecutive months (or a smaller amount prescribed by the company's charter) shall have the right to:

a) Nominate candidates for the Board of Directors and the Supervisory Board;

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#### **Article 164. Standards and conditions of Supervisors**

1. A Supervisor must:

a) be legally competent and not be banned from business administration and enterprise establishment as prescribed by this Law;

b) not be a spouse, birth parent, adoptive parent, birth child, adopted child, or sibling of any member of the Board of Directors, Director/General Director, or any other manager;

c) not hold managerial positions of the company. The Supervisor is not necessarily a shareholder or employee of the company, unless otherwise prescribed by the company's charter;

d) satisfy other standards and conditions of relevant regulations of law and the company's charter.

2. Supervisors of listed joint-stock companies and companies of which over 50% of charter capital is held by the State must be auditors or accountants..

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### **IV. Citing VPBank's Charter**

#### **Article 11. Rights of Shareholders**

1. Common shareholders shall have the following rights:

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i) A shareholder or a group of shareholders holding 10% or higher of the total common shares for at least 06 consecutive months shall have the following rights:

- To nominate candidates to the Board of Directors and the Supervisory Board

- To consider and extract the book of meeting minutes and resolutions of the Board of Directors, semi-annual and annual financial reports as per the templates provided by the Vietnam accounting system as well as reports of the Supervisory Board;

- To request the convening of the GSM in accordance with regulations in the following circumstances:

- + The Board of Directors seriously violates shareholders' rights, obligations of the managers or makes the decisions that exceed its delegated authority;
- + The tenure of the Board of Directors exceeds six months but a new Board of Directors has not been elected in substitution;
- + The request to convene a GSM must be made in writing and must contain full name, permanent residential address, Citizenship card number, identity card number, passport or other lawful personal identifications in cases of individual shareholders; full name, head quarter address, nationality, reference number of the decision on establishment or corporate registration number in cases of institutional shareholders; the number of shares and the date of registering the shares held by each shareholder, the total shares of the whole group of shareholders and the ratio of share ownership out of the total shares of VPBank, grounds and justifications for the request to convene a GSM. The request must be enclosed with the documents and evidence of the violations of the Board of Directors, degree of violations or of the decisions made beyond its authority.
- To request the Supervisory Board to examine each specific issue related to VPBank's management and steering of activities when deemed necessary. The request must be in writing and must contain full name, permanent residential address, nationality, Citizenship card number, identity card number, passport or other lawful personal identifications with regard to individual shareholders; full name, permanent residential address, nationality, reference number of the establishment decision or corporate registration number with regard to institutional shareholders; the number of shares and the date of registering the shares held by each shareholder, the total shares held by the group of shareholders and the ownership ratio out of the total shares of VPBank; the issues need examination and the purposes of such examination;
- j) The nomination of candidates to the Board of Directors and Supervisory Board shall be performed in accordance with the following regulations but the list of candidates must be sent to the Board of Directors within the time limit set out by the Board of Directors:
  - The common shareholders that voluntarily form a group satisfying the provided conditions to nominate candidate(s) to the Board of Directors and the Supervisory Board must notify the grouping to the shareholders that attend the GSM prior to the opening of the GSM;
  - Shareholders holding common shares for at least six (06) consecutive months shall be entitled to aggregate voting rights to nominate candidates to the Board of Directors and the Supervisory Board: a shareholder or a group of shareholders shall be entitled to nominate one (01) candidate if owning from 10 % to less than 20% of the total number of voting shares, maximum two (02) candidates if owning from 20% to less than 30% of the total number of voting shares; maximum three (03) candidates if owning from 30% to less than 40%, maximum four (04) candidates if owning from 40% to less than 50%, maximum five (05) candidates if owning from 50% to less than 60%, maximum six (06) candidates if owning from 60% to less than 70%, maximum seven (07) candidates if owning from 70% to less than 80%, maximum nine (09) candidates if owning from 80% to less than 90%.
  - In case the number of nominees to the Board of Directors, Supervisory Board is not sufficient according to the requirements, the incumbent BOD, Supervisory Board may introduce or nominate more candidates following a mechanism provided for by the Bank. The nomination of candidates by the Board of Directors, Supervisory Board must be disclosed clearly before the voting by the AGM according to legal regulations.

## **V. Forms**

- Forms in nomination dossiers and attached documents was uploaded to the Bank's website at [www.vpb.com.vn](http://www.vpb.com.vn) for your reference.