

APPENDIX 2

TABLE OF THE AMENDMENTS OF THE REGULATIONS ON THE ORGANIZATION AND OPERATION OF THE BOARD OF DIRECTORS OF THE JSC BANK FOR FOREIGN TRADE OF VIETNAM

No.	REGULATIONS ON ORGANIZATION AND OPERATION OF THE BOARD OF THE BANK	PROPOSED AMENDMENT	BASIS/REASON
1	Article 2. Applicability		
1.1	2. Group Heads, Chief Accountant, Directors of Centers/Units, Directors of Departments/ Divisions at the Head Office, Directors of branches, Directors of Representative offices and Chairman of the Members' Council, Directors of Subsidiaries having 100% contributed capital of JSC Bank for Foreign Trade of Vietnam.	2. Group Heads, Chief Accountant, Directors of Centers/Units, Directors of Departments/ Divisions at the Head Office, Directors of branches, Directors of Representative offices and Chairman of the Members' Council, Directors/ General Directors of Subsidiaries having 100% contributed capital of JSC Bank for Foreign Trade of Vietnam.	To be consistent to the current of the Bank: VCB Laos (VCB owns 100% capital) has the title of General Director and is regulated in the Charter of VCB Laos.
2	Article 8. Rights, obligations and responsibilities of the Board of Directors		
2.1	Term v subclause b clause 1 (v) Issuance of convertible bonds and securities rights which entitle the owner to purchase shares at a pre-determined price.	(v) Issuance of convertible bonds and bonds with securities rights.	As in accordance with the provisions of the 2014 Law on Enterprises, subclause a Clause 2, Article 14 of the Decree 163/2018/NĐ-CP dated 04 December 2018 and subclause k Clause 2, Article 59 of the Law on Credit Institutions.

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2.1	<p>Subclause f clause 1</p> <p>f. To make decision on loans, guarantees in accordance with the provisions of the Law on Credit Institutions, except for transactions falling within the decision-making authority of the General Meeting of Shareholders in accordance with the Law;</p>	<p>f. To make decision on credits in accordance with the provisions of the Law on Credit Institutions except for transactions falling within the decision-making authority of the General Meeting of Shareholders, in accordance with the Law;</p>	<p>As in accordance with the provisions of Clause 11, Article 1 of the Circular No. 19/2017/TT-NHNN of the State Bank of Vietnam.</p>
2.2	<p>Subclause m clause 1</p> <p>m. To be liable for the internal auditing activities in accordance with the regulations of the State Bank of Vietnam</p>	<p>m. Coordinate with the Supervisory Board, internal audit department while performing internal audit on supervision of senior managers to the Board of Directors; implement the recommendations of the Supervisory Board to the Board of Directors at the reports of internal audit results (if any) and report to the Supervisory Board on the results of implementing the recommendations.</p>	<p>As in accordance with the provisions of the Clause 2, Article 30 of Circular No. 44/2011/TT-NHNN: The responsibilities of the Board of Directors for the internal audit department include: (i) <i>To issue internal regulations on organization and operation of internal auditing;</i> (ii) <i>To decision on organization of internal audit;</i> <i>To appoint and dismiss the Chief Auditor and other titles of internal auditing at the request of the Supervisory Board;</i> (iii) <i>To equippe all resources (human, financial and other means) for internal auditing;</i> (iv) <i>To decide to implement, monitor and urge the recommendations of the internal audit;</i> (v) <i>To make decision on finance, salary, bonus, allowance for internal audit department.</i></p> <p>However, according to current regulations, some of the above contents have been</p>

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			<p>revised, as follows:</p> <ul style="list-style-type: none"> - <i>The Supervisory Board issues the internal regulations on organization and operation of internal audit. (subclause b, clause 2, Article 68 and clause 1, Article 69 of the Circular No. 13/2018/TT-NHNN);</i> - <i>The Supervisory Board decides on the organizational structure, duties and rights of the internal audit department. (Article 69 of the Circular No. 13/2018/TT-NHNN).</i> - <i>The Supervisory Board appoints, dismisses, disciplines, suspends and decides on salary and other benefits for the positions of the internal audit department. (Clause 9, Article 1 of the Law no. 17/2017/QH14 amendments and supplements the Law on Credit Institutions);</i> <p>As in accordance with the provisions of subclause b, clause 4, Article 68 of the Circular No. 13/2018/TT-NHNN:</p> <ul style="list-style-type: none"> - <i>Article 68. Organization, duties, rights and responsibilities of the internal audit department:</i> <p>4. <i>Responsibilities of the internal audit</i></p>

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			<p><i>department and internal auditors of commercial banks must include at least the following contents:</i></p> <p><i>b) To be responsible to the Supervisory Board for the performance of the assigned tasks.</i></p> <p>In fact, the Law on Credit Institutions, the Circular No. 13/2018/TT-NHNN does not stipulate that the Board of Directors is responsible for the operation of internal auditing as the subclause m clause 1 Article 44 Charter of VCB. And, according to the provisions of the law (the Decree 71/2017/ND-CP and the Circular No. 95/2017/TT-BTC) and the Charter of VCB (Article 62), the Supervisory Board is responsible to shareholders for supervising activities. That means including the supervision of the internal audit department (Article 13 the Circular No. 13/2018/TT-NHNN).</p> <p>Therefore, it is proposed to abolish the old content and replace it with new content in accordance with the provisions of clause 2, Article 65, the Circular No. 13/2018/NHNN dated 18 May 2018 of the State Bank of</p>

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			Vietnam.
2.3	<p>Subclause o clause 1</p> <p>o. Appointment, dismissal and determination of rewards, discipline, suspension and determination of salary and other benefits of the Group Heads, Deputy Group Heads, Chief Accountant, Secretary of the Bank; Director of branches, Director of subsidiaries, Chief Representatives of Representative offices, Director of business-supported units and Directors of Centers at the Head Office of The Bank and other management officers under the jurisdiction of the BOD as per internal regulations issued by the BOD;</p>	<p>o. Appointment, dismissal and determination of rewards, discipline, suspension and determination of salary and other benefits of the Group Heads, Deputy Group Heads, Chief Accountant, Secretary of the Bank; Director of branches, Director/General Director of subsidiaries, Chief Representatives of Representative offices, Director of business-supported units and Directors of Centers at the Head Office of The Bank and other management officers under the jurisdiction of the BOD as per internal regulations issued by the BOD;</p>	<p>To be consistent to the current of the Bank: VCB Laos (VCB owns 100% capital) has the title of General Director and is regulated in the Charter of VCB Laos.</p>
2.4	<p>Subclause q clause 1</p> <p>q. To make decision on the risk management policy and supervising the implementation of measures for prevention of risks of The Bank.</p>	<p>q. To decide, issue the risk management policy and supervising the implementation of measures for prevention of risks of The Bank.</p>	<p>As in accordance with the provisions of Clause 1, Article 24 of the Circular No. 13/2018/TT-NHNN of the State Bank of Vietnam.</p>
2.5	<p>Subclause s clause 1</p> <p>s. To supervise and direct the CEO and other Executive officers in managing daily business activities of The Bank and implementing the resolutions of the General Meeting of Shareholders and the BOD.</p>	<p>s. To supervise and direct the CEO and other Executive officers as follows:</p> <p>(i) To manage daily business activities of The Bank and implementing the resolutions of the General Meeting of Shareholders and the BOD;</p> <p>(ii) Internal control, risk management, internal assessment of the sufficient capital in accordance with</p>	<p>As in accordance with the provisions of Clause 2 Article 3, Clause 1 Article 10, Clause 1 Article 11, Clause 1 Article 12 of the Circular No. 13/2018/TT-NHNN of the State Bank of Vietnam.</p>

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		relevant provisions of the laws and the internal regulations of The bank.	
2.6	Clause 1 Not yet stipulated.	Add the subclause y into Clause 1 (accordingly, the subclause x will go down to subclause y) x. To issue ethics standards of works (except for ethics standard of work for members of the Supervisory Board, internal auditors).	As in accordance with the provisions of Clause 3, Article 15 of the Circular No. 13/2018/TT-NHNN of the State Bank of Vietnam.
3	Article 9. Rights and obligations of the Board of Directors in the regular meetings and other meetings		
3.1	Subclause g clause 1 g. To be liable for the internal auditing activities in accordance with the regulations of the State Bank of Vietnam;	To remove this content	It is proposed to revoke this content, it matches the proposed amendments of subclause m, clause 1, Article 8 this Regulation
4	Article 11. Rights, obligations and responsibilities of members of the Board of Directors		
4.1	Clause 1 Not yet stipulated.	Add the subclause m (accordingly, the old subclause m will go down to subclause n) m. Members of the Board of Directors do not participate in considering and approving risky decisions within the functions and duties of the General Director, except for members of the Board of Directors who are General Directors.	To add the subclause m into Clause 1 Article 8 of the Draft Regulations in accordance with the provisions of Clause 1, Article 15 of the Circular No. 13/2018/TT-NHNN of the State Bank of Vietnam dated 18/05/2018.

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5	Article 16. Committees to support BOD		
5.1	<p>1. The BOD shall establish the following Committees:</p> <ul style="list-style-type: none"> a) Risk management committee; b) Human resources committee; c) Other committees if necessary. <p>The establishment of the Committees must be approved by the General Meeting of Shareholders.</p> <p>2. The BOD shall regulate in details the establishment of the Committees, obligations of each Committee, obligations of each members of the Committee or obligations of the independent members of the BOD to be assigned to join the Committee</p>	<p>1. The BOD shall establish the following Committees:</p> <ul style="list-style-type: none"> a) Risk management committee; b) Human resources committee; c) Other committees if necessary. <p>The establishment of the Committees must be approved by the General Meeting of Shareholders.</p> <p>2. The Risk Management Committee and the Human resource Committee must ensure that each committee has at least half past one (1/2) of the voting members who are non-executive members. The BOD shall regulate in details the establishment of the Committees, obligations of each Committee, obligations of each members of the Committee or obligations of the independent members of the BOD to be assigned to join the Committee.</p>	<p>As in accordance with the provisions of term i, Subclause b, Clause 1, Article 9 of the Circular No. 13/2018/TT-NHNN of the State Bank of Vietnam dated 18/05/2018</p>
6	Article 17. Roles and duties of the Risk management Committee		
6.1	<p>Clause 1</p> <p>1. To advise the BOD in terms of promulgation of the regulations, procedures, decisions, policies within the authority of the BOD in accordance with the risk management</p>	<p>1. To propose, advise the BOD in:</p> <ul style="list-style-type: none"> a. Promulgation of the regulations, procedures, decisions, policies within the authority of the BOD in accordance with the risk management of the operation of the Bank in accordance with the provisions of law and the Charter of 	<p>As in accordance with the provisions of Clause 1, Article 11 of the Circular No. 13/2018/TT-NHNN of the State Bank of Vietnam dated 18/05/2018</p>

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	of the operation of the Bank in accordance with the provisions of law and the Charter of the Bank	the Bank. b. Supervising the General Director in developing and implementing risk management policies; handling, overcoming shortcomings and deficiency on risk management according to the requirements and recommendations of the State Bank, independent auditing organizations and other functional agencies	
6.2	Clause 5 5. To have comments on the credit grant under the decision-making authority of the BOD as in accordance with the provisions of the regulations on functions, duties of Risk management committee issued by BOD.	To revoke this content	As in accordance with the provisions of term i, Subclause b, Clause 2, Article 26 of the Circular No. 40/2011/TT-NHNN dated 15 December 2011.
7	Article 29. Working conditions of the Board of Directors		
7.1	Clause 3 3. The CEO, Chief Accountant, Group Heads, Directors of Centers/Units, Directors of Departments/ Divisions at Head Office, Directors of branches, Director of business-supported units, Chief Representative of Representative offices and Directors of Subsidiaries having 100% contributed capital of the Bank are responsible for providing sufficient and timely information related to activities of the Bank at the request of the	3. The CEO, Chief Accountant, Group Heads, Directors of Centers/Units, Directors of Departments/ Divisions at Head Office, Directors of branches, Director of business-supported units, Chief Representative of Representative offices and Directors/ General Directors of Subsidiaries having 100% contributed capital of the Bank are responsible for providing sufficient and timely information related to activities of the Bank at the request of the Chairman or members of the BOD to perform the duties and rights in accordance with the laws and regulations of The Bank	To be consistent to the current of the Bank: VCB Laos (VCB owns 100% capital) has the title of General Director and is regulated in the Charter of VCB Laos.

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	Chairman or members of the BOD to perform the duties and rights in accordance with the laws and regulations of The Bank		