

TABLE 3: SUMMARY OF AMENDMENTS AND SUPPLEMENTS TO THE REGULATION OF INTERNAL GOVERNANCE OF JSC BANK FOR FOREIGN TRADE OF VIENAM

NO.	INTERNAL GOVERNANCE REGULATION	PROPOSAL FOR ADMENEMENTS, SUPPLEMENTS	BASIS/REASON
1.	<p>Article 25. Standards and conditions for a member of the Supervisory Board <u>4. Must be an auditor or accountant;</u></p>	Remove such article	<p>- This content is stipulated in Article 20 ND 71/2017/ND-CP dated 6/6/2017. However, the Law on Credit Institutions 2010 (Clause 3.c Article 50) stipulates the professional conditions of members of the Supervisory Board: <i>"Having a university degree or higher in one of the specialties: economics, business administration, law, accounting, or auditing; have at least 03 years working directly in banking, finance, accounting or auditing."</i> The amended Law on Credit Institutions in 2017 does not modify criteria and condition of the Supervisory Board members as above.</p> <p>Clause 2 of Article 3 of the Law on Credit Institutions stipulates that "In case there are different provisions between the Law on Credit Institutions</p>

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			<p>and other related Laws on establishment, organization and operation ... then Law Credit institutions shall be applied".</p> <p>Article 3 of Decree 71 also stipulates that "in the case of specialized Law with regulations on corporate governance which are different from those stipulated in Decree 71, the provisions of the specialized Law shall be applied".</p> <p>Therefore, the standards and conditions of the Supervisory Board member shall comply with Law on Credit Institutions.</p> <p>VCB Charter and Regulation on organization and operation of Supervisory Board currently stipulate standard, condition for Member of Supervisory Board, therefore such removal shall ensure the uniformity for all VCB internal document.</p>

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2.	<p>Article 29.1 Assistance committees of the Board of Directors</p> <p>“1. The Board of Directors set up the following Committees: a) Risk Management Committee; b) Human Resource Committee; c) Other Committees, when deemed necessary.</p> <p>The establishment of committees must be approved by the General Meeting of Shareholders.</p> <p>2. The Board of Directors shall stipulate in detail the establishment of the Committees, the responsibilities of each Committee’ members, the responsibilities of independent members of the Board of Directors assigned to participate in the Committee.</p>	<p>“1. The Board of Directors set up the following Committees: a) Risk Management Committee; b) Human Resource Committee; c) Other Committees, when deemed necessary.</p> <p>The establishment of committees must be approved by the General Meeting of Shareholders.</p> <p>2. Risk Management Committee & Human Resource Committee must ensure half of voting members are non executive member. The Board of Directors shall stipulate in detail the establishment of the Committees, the responsibilities of each Committee’ members, the responsibilities of independent members of the Board of Directors assigned to participate in the Committee.</p>	<p>In order to match with Point a, Clause 1, Article 9 of Circular No. 13/2018 / TT-NHNN dated May 18, 2018 of the State Bank of Vietnam and in accordance with the proposed amendment contents in Clause 1, Article 53 of the VCB Charter</p>

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3.	<p>Article 37. Working relationship between the Board of Directors and Executive Officers</p> <p>2. The working relationships in the performance of the assigned duties shall be as follows: c) The members of the Executive Board and other Executive Officers shall make periodical report on the jobs specified in Appendix 1.</p> <p>3. The CEO shall direct the reports to the Board of Directors according to Appendix No. 1 attached.</p>	<p>2. The working relationships in the performance of the assigned duties shall be as follows: c) The members of the Executive Board and other Executive Officers shall make periodical report on the jobs according to the Law and the bank internal regulation.</p> <p>3. The CEO shall direct the reports to the Board of Directors according to the Law and the bank internal regulation.</p>	<p>Current list of report according to the Law and VCB internal regulation is huge in number and is subject to be changed according to updated law and internal regulation, therefore such adjustment is to avoid fixing the regulation many times.</p>
4.	<p>Article 38. Working relationship between the Board of Directors and the Supervisory Board</p> <p>Not yet stipulated</p>	<p>Supplementing clause 4 as follows: 4.The Board of Directors co-ordinates with the Supervisory Board and the internal audit department when internal audit is conducted on the supervision of senior managers to the Board of Directors; implementing the recommendations of the Supervisory Board in reporting internal audit</p>	<p>In order to match with Point a, Clause 2, Article 65 of Circular No. 13/2018 / NHNN dated 18 May 2018 of the State Bank of Vietnam and in accordance with the proposed amendment contents at Point m, Clause 1, Article 44 of the VCB Charter</p>

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		<p>results (if any) to the Board of Directors and notifying the Supervisory Board on the results of implementing the recommendations.</p>	
5.	<p>Article 39. Coordination of activities between the Supervisory Board and the Executive Officers</p> <p>Not yet stipulated</p>	<p>Suppplement Clause 6 (Clause 6 of the previous Regulation shall be changed to Clause 7) as follows:</p> <p>6. The General Director coordinates with Supervisory Board, the internal audit department when internal audit is conducted on the supervision of senior managers to the General Director; receive internal reports on internal audit, organize the implementation of recommendations of the Supervisory Board to the General Director in the report of internal audit results (if any) and report to the Board of Supervisory results of recommendation implementation.</p>	<p>In order to match with Point a, Clause 3, Article 65 of Circular No. 13/2018/ NHNN dated May 18, 2018 and in accordance with the proposed amendment contents at Point i, Clause 5, Article 56 of the VCB Charter.</p>
6.	<p>Article 39. Coordination of activities between the Supervisory Board and the Executive Officers</p> <p>2. Members of the Executive Board and</p>	<p>2. Members of the Executive Board and other Executive Officers shall make periodical reports according to the Law and the bank internal regulation.</p>	<p>Current list of report according to the Law and VCB internal regulation is huge in number and is subject to be changed according to updated law and</p>

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	other Executive Officers shall make periodical reports on the jobs specified in Appendix 1.		internal regulation, therefore such adjustment is to avoid fixing the regulation many times.
7.	APPENDIX 1: LIST OF REPORTS	Remove Appendix 1	Current list of report according to the Law and VCB internal regulation is huge in number and is subject to be changed according to updated law and internal regulation, therefore such adjustment is to avoid fixing the regulation many times