

APPENDIX 1: SUMMARY OF REVIEW, AMENDMENTS AND SUPPLEMENTS TO THE CHARTER ON ORGANIZATION AND OPERATION OF JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NO	CURRENT CHARTER OF VCB	PROPOSED AMENDMENT	BASIS/REASON
1	Article 1. Definition		
1.1	<p>Point b Clause 1:</p> <p>b. “<i>Law on Credit Institutions</i>” means Law on Credit Institutions adopted by the National Assembly of the Socialist Republic of Vietnam on June 16th 2010 and its amendments and replacements from time to time.</p>	<p>To amend the term “<i>Law on Credit Institutions</i>” as follows:</p> <p>b. “<i>Law on Credit Institutions</i>” means Law on credit institutions No 47/2010/QH12 adopted by the National Assembly of the Socialist Republic of Vietnam on June 16th 2010 and its amendments and replacements from time to time.</p>	<p>Add numbers and symbols of the Law on Credit Institutions.</p>
1.2	<p>Point h Clause 1:</p> <p>- “<i>Executive Officers</i>” include the General Director, Deputy General Directors, the Chief Accountant, Directors of Departments, Deputy Directors of Departments, Directors of Subsidiaries, Directors of Branches, Chiefs of Representative Offices, Directors of business- support units and Centre Directors at the Head-office of</p>	<p>To add the phrase “<i>General Directors</i>”:</p> <p>- “<i>Executive Officers</i>” include the General Director, Deputy General Directors, the Chief Accountant, Directors of Departments, Deputy Directors of Departments, Directors/General Directors of Subsidiaries, Directors of Branches, Chiefs of Representative Offices, Directors of business-support units and Centre Directors at the Head-office of the Bank”</p>	<p>In accordance with practical situation at VCB: Subsidiary with 100% ownership of VCB (VCB Laos Limited) have a General Director title and regulated in the Charter on organization and operation of VCB Laos Limited.</p>

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	the Bank		
1.3	<p>Point l Clause 1:</p> <p>- “<i>Bank Management Officers</i>” include the Board Chairman, Board members, General Director, Deputy General Directors, the Chief Accountant, Directors of Departments, Deputy Directors of Departments, Directors of Subsidiaries, Directors of Branches, Chiefs of Representative Offices, Directors of business support units and Centre Directors at the Head-office of the Bank.</p>	<p>To add the phrase “<i>General Directors</i>”:</p> <p>- “<i>Bank Management Officers</i>” include the Board Chairman, Board members, General Director, Deputy General Directors, the Chief Accountant, Directors of Departments, Deputy Directors of Departments, Directors/General Directors of Subsidiaries, Directors of Branches, Chiefs of Representative Offices, Directors of business-support units and Centre Directors at the Head-office of the Bank.</p>	Same reason as mentioned above.
1.4	<p>Point gg Clause 1:</p> <p>There are no regulations</p>	<p>Supplement the term “<i>Risky decision</i>”:</p> <p>gg. Risky decision are the decisions from the Bank’s authorized level generate the risks or change the risk status of the Bank in accordance with regulations of the Laws.</p>	<p>Supplement to comply with the provisions of Clause 17 Article 3 of the Circular No 13/2018/NHNN dated 18/05/2018 by SBV and suitable with the expected revise content at Clause n Article 46 of the Charter of VCB (amend in accordance with the regulation in Item i Point b Clause 1 Article 15 of the Circular No 13/2018/NHNN dated 18/05/2018 by SBV)</p>

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2	Article 26. Issuance of Bonds		
2.1	<p>The General Meeting of Shareholders shall decide the issuance of bond. The Bank shall not be entitled to issue bonds in the following events, unless otherwise provided in the Law on Securities:</p> <p style="padding-left: 40px;">a. The Bank fails to pay in full the principal and interest of bonds previously issued, fails to pay or has been unable to pay in full the due debts for the most recent three consecutive years.</p> <p style="padding-left: 40px;">b. The after-tax average net margin of the Bank’s business of the most recent three consecutive years is not higher than the intended interest payable for the</p>	<p>“Besides the compliance with the provisions of the Law on Enterprise, the issuance of bond must ensure the following principles:</p> <ol style="list-style-type: none"> 1. Comply with the regulations of Law on Credit Institutions and others relevant provisions of the Law. 2. The General Meeting of Shareholders shall approve the plan for issuance of convertible bonds, issuance of bonds with warrants. 3. The Board of Directors shall approve the plan for the issuance of bonds, except the plans falling within the power of The General Meeting of Shareholders regulated in Clause 2 of this Article.” 	<p>To comply with the provisions of Law on Enterprises 2014, Point a Clause 2 Article 14 of the Decree No. 163/2018/ND-CP dated 04/12/2018 and Point k Clause 2 Article 59 of the Law on Credit Institutions.</p>

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	<p>bonds to be issued</p> <p>The issuance of bonds to creditors which are selected financial institution creditors shall not subject to the restrictions set forth above in points a and b of this Clause.</p>		
3	Article 32. Rights and duties of the General Meeting of Shareholders		
3.1	<p>Point m Article 32:</p> <p>m. To approve the selection of the independent auditing company for the next financial year as proposed by the Board of Directors</p>	<p>m. To approve the selection of the independent auditing company <i>to audit the financial statements and internal control activities of the Bank</i> for the next financial year as recommended and proposed by the Supervisory Board.</p>	<p>To comply with the provisions of Clause 1 Article 22 of the Decree No. 71/2017/ND-CP and Clause 13 Article 62 of the Charter of VCB; and Article 4 Circular 39/2011/TT-NHNN dated 15/12/2011.</p>
3.2	<p>Point u Article 32:</p> <p>u. To approve the plan of issuance of convertible bonds.</p>	<p>u. To approve the plan of issuance of convertible bonds, the plan of issuance of bonds with warrants.</p>	<p>To comply with the provisions of Law on Enterprises 2014, Point a Clause 2 Article 14 of the Decree No. 163/2018/ND-CP dated 04/12/2018 and Point k Clause 2 Article 59 of the Law on Credit Institutions.</p>
4	Article 44. Powers and duties of the Board of Directors		
4.1	<p>Item v Point b Clause 1:</p> <p>v. Issuance of convertible bonds and securities rights which entitle the owner</p>	<p>v. Issuance of convertible bonds and bonds with warrants.</p>	<p>To comply with the provisions of Law on Enterprises 2014, Point a Clause 2 Article 14 of the Decree No.</p>

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	to purchase shares at a pre-determined price.		163/2018/ND-CP dated 04/12/2018 and Point k Clause 2 Article 59 of the Law on Credit Institutions.
4.2	<p>Point f Clause 1:</p> <p>f. Making decision on loans, guarantees, except for transactions falling within the power of the General Meeting of Shareholders, in accordance with the Law</p>	f. “Making decision on credit granting in accordance with the Law on Credit Institutions, except for credit grantings falling within the power of the General Meeting of Shareholders, in accordance with the Law”	To comply with the provisions of Clause 11 Article 1 of the Circular No. 19/2017/TT-NHNN by the SBV.
4.3	<p>Point m Clause 1:</p> <p>m. Being responsible for the internal auditing activities in accordance with the regulations of the State Bank.</p>	<p>m. Cooperating with the Supervisory Board, Internal auditing division when performing internal auditing on supervision of high level managers with the Board of Directors; performing the recommendations of the Supervisory Board with the Board of Directors at the report on internal audit results (if any) and announcing to Supervisory Board on the results.</p>	According to Clause 2 Article 30 of the Circular No. 44/2011/TT-NHNN regulate the responsibilities of the Board of Directors with the internal auditing division includes: (i) <i>Promulgate internal regulations on organization and operation of internal audit;</i> (ii) <i>Decide the organizational apparatus of internal audit; appoint, dismiss the Chief of internal audit and other positions of internal audit on the basis of proposal from the Supervisory Board;</i> (iii) <i>Provide the sufficient resources (human resources, finance and other facilities) for internal audit;</i> (iv) <i>decide to implement, monitor and</i>

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			<p><i>supervise the recommendations of the internal audit; (v) Decide the financial regime, salary mechanism, bonus, allowance for internal auditing division.</i></p> <p>However according to the current regulations, several contents have been revised, specifically:</p> <ul style="list-style-type: none"> - <i>The Supervisory Board publish the internal regulation on the organization and operation of internal audit (Article 68.2.b and Article 69.1 of the Circular 13).</i> - <i>The Supervisory Board decide the organizational structure, powers and duty of the internal auditing division (Article 68 of the Circular No. 13/2018/TT-NHNN);</i> - <i>The Supervisory Board appoint, dismiss, discipline, suspense and decide the salary, other benefits for the titles of the internal auditing division (Clause 9 Article 1 of the Law No. 17/2017/QH14 on the amendment and supplement of Law on Financial</i>

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			<p>Institutions).</p> <p>According to Point b Clause 4 Article 68 Circular No. 13:</p> <p><i>- Article 68. Organizational structure, tasks, duties and powers of the internal auditing division</i></p> <p><i>4. The minimum responsibility of the internal auditing division, internal auditor of the commercial bank include the following contents:</i></p> <p><i>b) Responsible to the Supervisory Board for the performance of assigned tasks.</i></p> <p>In fact, the Law of Financial Institutions and Circular No. 13 does not stipulate that the Board of Directors is responsible for the operation of the internal audit as Point m Clause 1 Article 44 of the current Charter of VCB. Simultaneously, pursuant to the provisions of the Law (Decree No. 71/2017/ND-CP and Circular No 95/2017/TT-BTC) and the Charter of VCB (Article 62), the Supervisory Board is responsible to the shareholders</p>

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			<p>for their monitoring activities, include the supervision activities with the internal auditing division (Article 13 of the Circular No. 13).</p> <p>Therefore, the proposal for remove old content and replace it with new content is comply with the provisions of Clause 2 Article 65 of the Circular No. 13/2018/NHNN dated 18/05/2018 by the SBV.</p>
4.4	<p>Point o Clause 1:</p> <p>o. Appointment, dismissal, removal and determination of rewards, discipline, suspension and determination of salary and other benefits of the Division Director, Division Deputy Director, Chief Accountant, Secretary of the Board of Directors, Director of branches, Director of subsidiaries, Head of representative offices, Director of business-supported entities and Center Directors at the Head Office of the Bank and other management officers under the jurisdiction of the Board of Directors as per internal regulations issued by the</p>	<p>To add the phrase “<i>General Director</i>”:</p> <p>o. Appointment, dismissal, removal and determination of rewards, discipline, suspension and determination of salary and other benefits of the Division Director, Division Deputy Director, Chief Accountant, Secretary of the Board of Directors, Director of branches, Director/General Director of subsidiaries, Head of representative offices, Director of business-supported entities and Center Directors at the Head Office of the Bank and other management officers under the jurisdiction of the Board of Directors as per internal regulations issued by the Board of Directors.</p>	<p>In accordance with practical situation at VCB: Subsidiary with 100% ownership of VCB (VCB Laos Limited) have a General Director tittle and regulated in the Charter on organization and operation of VCB Laos Limited.</p>

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	Board of Directors.		
4.5	<p>Point q Clause 1:</p> <p>q. Making decision on the risk management policy and supervising the implementation of measures for prevention of risks of the Bank.</p>	<p>To add the phrase “<i>Promulgate</i>”:</p> <p>q. Making decision on and promulgate the risk management policy and supervising the implementation of measures for prevention of risks of the Bank.</p>	<p>To comply with the provisions of Clause 1 Article 24 of the Circular No. 13/2018/NHNN dated 18/05/2018 by the SBV.</p>
4.6	<p>Point s Clause 1:</p> <p>s. Supervising and directing the General Director and other management officers in managing daily business activities of the Bank and implementing the resolutions of the General Meeting of Shareholders and the Board of Directors.</p>	<p>s. Supervising and directing the General Director and other management officers in the following activities:</p> <p>(i) Managing daily business activities of the Bank and implementing the resolutions of the General Meeting of Shareholders and the Board of Directors.</p> <p>(ii) Internal control, risk management, internal appraisal on the capital adequacy in accordance with related regulations of the Law and the internal regulation of the Bank.</p>	<p>Supplement to comply with the provisions of Clause 2 Article 3, Clause 1 Article 10, Clause 1 Article 11 and Clause 1 Article 12 of the Circular No 13.</p>
4.7	<p>Point z Clause 1:</p> <p>There are no regulations</p>	<p>Supplement Point z Clause 1 (whereby clause z in the old Charter changed into Point aa Clause 1):</p> <p>z. Issue the professional ethics standards</p>	<p>To comply with the provisions of Clause 3 Article 15 Circular No 13/2018/NHNN dated 18/05/2018 by the SBV.</p>

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		(except for the professional ethics standards of the member of Supervisory Board, internal auditor).	
5	Article 46. Powers and duties of members of the Board of Directors		
5.1	There are no regulations	<p>Supplement Clause n Article 46 (whereby the old Clause n Article 46 changed into Clause o Article 46):</p> <p>n. Member of the Board of Directors does not participating in reviewing and approving decisions have the risk falling within the powers and duties of the General Director, except the case when the Member of Board of Directors is the General Director.</p>	To comply with the provisions of Item i Point b Clause 1 Article 15 of the Circular No 13/2018/NHNN dated 18/05/2018 by the SBV.
6	Article 53. Assistance committees of the Board of Directors		
6.1	<p>Clause 1:</p> <p>1. The Board of Directors of the Bank must establish and maintain the following committees:</p> <ul style="list-style-type: none"> a. Risk control committee; and b. Human resources committee. 	<p>1. The Board of Directors of the Bank must establish and maintain the following committees:</p> <ul style="list-style-type: none"> a. Risk control committee; and b. Human resources committee. <p>Risk control committee and Human</p>	To comply with the provisions of Item i Point b Clause 1 Article 9 of the Circular No 13/2018/NHNN dated 18/05/2018 by the SBV

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	Specific duties and powers, number and criteria of members of such committees shall be determined by the Board of Directors in compliance with the Laws.	resources committee must ensure each committee has at least half (1/2) of the members have voting rights are non-executive members. Specific duties and powers, number and criteria of members of such committees shall be determined by the Board of Directors in compliance with the Laws.	
7	Article 56. General Director		
7.1	Point e Clause 5: e. Establishing, maintaining and developing a reasonable internal control system and operates efficiently.	e. Establishing, maintaining and developing a reasonable internal control system and operates efficiently to comply with the provisions of the Law and internal regulations of the Bank. Monitoring individuals, units related to the execution of internal control, risk control, internal appraisal on the capital adequacy in accordance with provisions of the Law and internal regulations of the Bank.	To comply with the provisions of Clause 2 Article 10 and Clause 2 Article 11 of the Circular No 13/2018/NHNN dated 18/05/2018 by the SBV
7.2	Point i Clause 5: i. Being subject to the examination and inspection of the Board of Directors, the Supervisory Board, the State Bank and other competent State authorities in respect of the implementation of his or	i. Being subject to the examination and inspection of the Board of Directors, the Supervisory Board, the State Bank and other competent State authorities in respect of the implementation of his or her managing duties. Cooperating with the Supervisory Board,	To comply with the provisions of Clause 3 Article 65 of the Circular No 13/2018/NHNN dated 18/05/2018 by the SBV.

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	her managing duties.	the internal audit division when performing internal audit on supervision of senior executive with General Director; supervising risk control division and other competent divisions on providing sufficient risk information to internal audit division for making internal control plan; receiving internal report on internal audit, implementing the proposal of the Supervisory Board to General Director in the report on internal audit result (if any) and reporting to the Supervisory Board on the results.	
8	Article 57. Assisting the General Director		
8.1	There are no regulations	Supplement Clause 5 5. General Director must establish Risk committee, Asset/Liability committee (ALCO) and Capital management committee to propose, advise to the General Director in accordance with provisions of the Law and internal regulations of the Bank.	To comply with the provisions of Clause 3 Article 9 of the Circular No 13/2018/NHNN dated 18/05/2018 by the SBV.
9	Article 62. Rights and duties of the Supervisory Board		

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9.1	<p>Clause 1 Article 62:</p> <p>1. To supervise the operation and compliance with provisions of Laws and the Charter in respect of the Board of Directors, General Director, and other management officer during the management and administration of the Bank; to be liable before the Law, the General Meeting of Shareholders for performance of the assigned rights and duties</p>	<p>1. The Supervisory Board performs the following supervision:</p> <p>a. Supervise the operation and compliance with provisions of Laws and the Charter in respect of the Board of Directors, General Director, and other management officer during the management and administration of the Bank; to be liable before the General Meeting of Shareholders for performance of the assigned rights and duties.</p> <p>b. Supervise the internal audit in accordance with provisions of the Law and internal regulations of the Bank.</p>	<p>To comply with the provisions of Clause 1 Article 45 of the Law on Credit Institutions and Clause 1 Article 13 of the Circular No 13/2018/NHNN dated 18/05/2018 by the SBV.</p>
9.2	<p>Clause 2 Article 62:</p> <p>2. To issue internal rules of the Supervisory Board except for the documents requiring approval from the General Meeting of Shareholders in accordance with point p, Article 32 of this Charter</p>	<p>2. To issue internal rules of the Supervisory Board, internal audit plan, professional ethics standards of the Member of Supervisory Board, internal auditor, except for the documents at point q Article 32 of this Charter must require approval from the General Meeting of Shareholder.</p>	<p>To comply with the provisions of Point b Clause 2 Article 68 of the Circular No 13/2018/NHNN dated 18/05/2018 by the SBV.</p>
9.3	<p>Clause 14 Article 62:</p> <p>14. Appointment, dismissal, removal and determination of rewards, discipline, suspension and determination of salary</p>	<p>14. To decide the organizational structure, duties, powers of the internal audit division. To regulate the standard for internal auditors. To appoint, dismiss,</p>	<p>To comply with the provisions of Clause 2 Article 66, Clause 1 Article 69 of the Circular No 13/2018/NHNN dated 18/05/2018 by the SBV.</p>

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	and other benefits of the titles in internal audit division.	remove and determine of rewards, discipline, suspense and determine of salary and other benefits of the titles in internal audit division in accordance with provisions of the Law, the regulation on organization and operation of the Supervisory Board and internal regulations of the Bank.	
10	Article 74. Obligations of Board members, members of the Supervisory Board and other management officers of the Bank		
10.1	<p>Article 74:</p> <p>Board members, members of the Supervisory Board, members of the Executive Board, Chief Accountant, Directors of Departments, Deputy Directors of Departments, Directors of Branches, Directors of Subsidiaries, Directors of business- support units and Centre Directors at the Head-office of the Bank have the following obligations</p>	<p>To add the phrase “<i>General Directors</i>”:</p> <p>Board members, members of the Supervisory Board, members of the Executive Board, Chief Accountant, Directors of Departments, Deputy Directors of Departments, Directors of Branches, Directors/General Directors of Subsidiaries, Directors of business- support units and Centre Directors at the Head-office of the Bank have the following obligations</p>	<p>In accordance with practical situation at VCB: Subsidiary with 100% ownership of VCB (VCB Laos Limited) have a General Director title and regulated in the Charter on organization and operation of VCB Laos Limited.</p>

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11	Article 75. Contracts, transactions to be approved by the General Meeting of Shareholders, the Board of Directors		
11.1	<p>Clause 2 Article 75:</p> <p>2. The General Meeting of Shareholders shall approve any contract and transaction between the Bank and the individual/organization stated in Clause 1 of this Article with the value of more than 20% of the charter capital of the Bank as recorded in its most recent financial statement. In this case, the relevant shareholder shall not be entitled to vote. The Board of Directors shall submit the draft contract or explain the main contents of the transaction at the meeting of the General Meeting of Shareholders or collect written opinions. A contract or transaction will be passed when it is approved by the number of shareholders representing over 51% of the total voting shares.</p>	<p>2. The General Meeting of Shareholders shall approve any contract and transaction between the Bank and the individual/organization stated in Clause 1 of this Article with the value of more than 20% of the charter capital of the Bank as recorded in its most recent financial statement. In this case, the representative of the Bank to sign the contract must notify the members of the Board of Directors, members of the Supervisory Board on the relevant individual/organization of the contract, transact; along with the draft contract or explain the main contents of the transaction. The Board of Directors shall submit the draft contract or explain the main contents of the transaction at the meeting of the General Meeting of Shareholders or collect written opinions. Shareholders with related interests do not have voting rights. A contract or transaction will be passed when it is approved by the number of shareholders representing over 51% of the total voting shares.</p>	<p>To comply with the provisions of Clause 3 Article 162 of the Law on Enterprises 2014 and Article 59 of the Law on Credit Institutions.</p>

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11.2	<p>Clause 3 Article 75:</p> <p>3. The Board of Directors shall approve any contract and transaction between the Bank and the individual/organization stated in Clause 1 of this Article with the value of 20% or less of the charter capital of the Bank as recorded in its most recent financial statement. In this case, the relevant member shall not be entitled to vote. The General Director of the Bank shall distribute to Board members and display at the head office, branches of the Bank the draft contract or notice on the main contents of the transaction. The Board of Directors within 15 (fifteen) days of such display shall determine the approval of such contract or transaction; any member with related interest will not have the right to vote.</p>	<p>3. The Board of Directors shall approve any contract and transaction between the Bank and the individual/organization stated in Clause 1 of this Article with the value of 20% or less of the charter capital of the Bank as recorded in its most recent financial statement. In this case, the representative of the Bank to sign the contract must notify the members of the Board of Directors, members of the Supervisory Board on the releant individual/organization of the contract, transacton; along with the draft contract or explain the main contents of the transaction. The Board of Directors within 15 (fifteen) days of such display shall determine the approval of such contract or transaction; any member with related interest will not have the right to vote.”</p>	<p>To comply with the provisions of Clause 2 Article 162 of the Law on Enterprises 2014 and Clause 10 Article 63 of the Law on Credit Institutions.</p>