

**VIETNAM JOINT STOCK COMMERCIAL  
BANK FOR INDUSTRY AND TRADE**

**SOCIALIST REPUBLIC OF VIETNAM**  
Independence – Freedom – Happiness

108 Tran Hung Dao, Hoan Kiem, Hanoi Tel:

024.39427030; Fax: 024.39421032.

*Business Registration Certificate No. 0100111948 as  
amended the 10<sup>th</sup> time on April 29, 2014*

*Hanoi, 20<sup>th</sup> April 2018*

## **PROPOSAL**

### **For approving amendments and supplements of corporate governance documents of VietinBank**

To: The General Meeting of Shareholders

Pursuant to the Law on Credit Institutions no. 47/2010/QH12, the Law on amendment and supplement of several articles of the Law on Credit Institutions no. 17/2017/QH14 and guiding documents for implementation;

Pursuant to the Law on Enterprises no. 68/2014/QH13 and guiding documents for implementation;

Pursuant to the Law on Securities no. 70/2006/QH11 dated 29<sup>th</sup> June 2006 and the Law no. 62/2010/QH12 dated 24<sup>th</sup> November 2010 on amendment and supplement of several articles of the Law on Securities;

Pursuant to Decree 71/NĐ-CP dated 6<sup>th</sup> June 2017 by the Government on corporate governance for public companies and Circular 95/2017/TT-BTC by the Ministry of Finance on the model Charter, the model Internal Corporate governance document for public companies;

Based on the authority of the General Meeting of Shareholders (GMS), the Board of Directors of VietinBank hereby submits to the 2018 annual GMS for review and approval of the amendments and supplements of the Charter, the Internal Regulation on corporate governance, and the Regulation on organization and operation of VietinBank's Board of Directors. Specifically:

#### **I. Rationale for amendment**

The National Assembly of Vietnam ratified the Law on Amendment and Supplement of several articles of the Law on Credit Institutions on 20<sup>th</sup> Nov 2017. The Ministry of Finance enacted Circular 95/2017/TT-BTC dated 22 Sep 2017 (advise the implementation of Decree 71/2017/NĐ-CP on corporate governance for public companies) whereby it advises on sample Charter and sample Internal Regulation on Corporate governance of public companies. According to the regulatory impact

assessment of these legal documents, the Charter, the Internal Regulation on Corporate Governance and the regulation on organization and operation of the Board of Directors of VietinBank (hereinafter referred to as corporate governance documents) need to be amended and supplemented to ensure compliance with the amended Law on Credit institutions, and the sample Charter and Internal Regulation on Corporate Governance for public companies.

Additionally, the practical implementation of corporate governance documents at VietinBank, lessons learned from other banks' dealing with similar governance issues, and the international governance practices and standards also require changes in VietinBank's corporate governance documents.

## **II. Vision and principles of amendment**

VietinBank is a joint stock bank with the majority of its equity capital owned by the State. However, VietinBank is also a publicly listed company trading freely on the stock market. Apart from minor shareholders, two foreign strategic shareholders of VietinBank are IFC and MUFG Bank.

To play the role of a State-dominated joint stock commercial bank while raising transparency as required for public companies, increasing competitiveness and attracting more interests from individual and non-State institutional investors, VietinBank amends the Charter, the Internal Regulation on Corporate Governance, and the regulation on organization and operation of the Board of Directors of VietinBank in the following vision and principles:

- *Compliance with the Law on Credit institutions and its guiding documents for implementation;*
- *Compliance with the Law on Enterprises, the Law on Securities and corporate governance requirements for public companies where it is unavailable in the law on credit institutions;*
- *Consultations with the Law on Enterprises, the Law on Securities and corporate governance requirements for public companies to make additional provisions if allowed by the Law on Credit institutions;*
- *Reference to and use as much as possible of the structure and contents of the sample Charter and sample Internal Regulation on Corporate Governance for public companies as well as international corporate governance practices to: (i) Ensure publicity and transparency in the organization of the General Meeting of Shareholders (GMS); (ii) Ensure transparency, safety and efficiency in the organization and execution of rights and responsibilities of individuals and bodies having a role in the*

*management and administration of VietinBank, namely the GMS, the BoD, the Supervisory Board, the General Director and the Board of Management; (iii) Maximum protection of shareholders' rights and benefits.*

### **III. Amendments contents**

#### **1. The Charter on organization and operation**

**a) Regarding structure:** The 2018 Charter has been amended in reference to the sample Charter provided for in Circular 95/2017/TT-BTC comprising 22 chapters and 82 articles. In which, the articles and clauses of the 2017 Charter (except for proposed omitting contents), the amended and supplemented contents, , have been reorganised in the corresponding articles and clauses of the sample Charter.

#### **b) Amendment contents**

- Amended and supplemented contents according to the amended Law on Credit institutions 2017 and the Law on Credit institutions 2010:

+ Amended and supplemented contents made to the criteria and conditions for titles of BoD chairperson, BoD members, General Director, Deputy General Directors according to clauses 10, 11, article 1 of the amended Law on Credit institutions and article 50 of the Law on Credit institutions 2010;

+ Amended and supplemented contents made to automatic disqualification, dismissal, and cases of not concurrently holding positions according to clauses 6, 7, article 1 of the amended Law on Credit institutions 2017; articles 33, 34, 35, 36 of the Law on Credit institutions.

+ Amended and supplemented contents made to the shareholding limits of shareholders and their related persons according to clause 14, article 1 of the amended Law on Credit institutions 2017, and article 55 of the Law on Credit institutions 2010.

+ Amended and supplemented contents made to the rights and duties of the Supervisory Board, shareholders, the BoD, the General Director according to clauses 9, 13, 15, 16, article 1 of the amended Law on Credit institutions 2017, articles 45, 54, 56, 63 of the Law on Credit institutions 2010;

- Amended and supplemented contents according to the Law on Enterprises and the sample Charter:

+ Those processes and procedures that VietinBank's Charter has not provided for or are referred to legal provisions have been detailed such as the responsibility of the person convening a GMS session, the main content of an invitation letter to a GMS session, a meeting minutes of a GMS session, a request form for GMS opinion, a shareholder feedback form, ways of attending a GMS session;

+ Content related to disclosure of information: Time for invite notification of a GMS session, time for preparation and notification of the list of shareholders who have the rights to attend a GMS session, time for sending of and feedback on a GMS meeting minutes according to Decree 71/2017/NĐ-CP;

+ Supplemented contents were made regarding other securities certificate, transfer of shares, buyback of shares, recall of shares, renewal of operation according to the Law on Enterprises and the sample Charter;

+ Amended content made to the candidacy and nomination of BoD members, Supervisory Board members by share ratio at VietinBank;

- Amended content made to the committees under BOD: The Law on Credit institutions and guiding documents require only compulsory establishment of the Human Resources and Salary Committee and the Risk Management Committee under the BoD. As a result, the amended Charter of VietinBank also provides for these two committees under the BoD to ensure the Charter's stability in the event of any relevant regulatory changes. The BoD may decide the establishment or reorganization of other committees in accordance with regulatory requirements and the practical situation of VietinBank from time to time.

*(Details as per Annex 1 enclosed)*

## **2. Internal Regulation on Corporate Governance**

**a) Regarding structure:** Basically, the amended regulation of 2018 has no change in structure compared to the existing regulation. Some articles and clauses were deleted, added or reorganized in alignment with other content of the chapters or sections. The 2018 regulation comprises of 11 chapters and 49 articles.

### ***b) Proposed amendments***

- Several contents were made consistent with VietinBank's Charter such as rights of shareholders, GMS, BoD, General Director, Supervisory Board, meeting minutes of GMS, BoD, etc. if these are related to the aforementioned amendments of the 2018 Charter.

- Added duties were provided for the BoD Secretariat to ensure full execution of the duties of VietinBank Corporate Secretary and the person in charge of corporate governance.

- The content related to the activities of the BoD standing members in VietinBank's Internal Regulation on Corporate Governance was removed.

- Work coordination among the BoD, the Supervisory Board and the Board of Management: The existing regulation is governing work coordination by specific duties of the members of the BoD, the Supervisory Board and the Board of

Management in one-on-one relationships: BoD – Supervisory Board, BoD – Board of Management, Supervisory Board – Board of Management. The amended 2018 regulation is proposing to reorganize this content as regulated at Circular 95/2017/TT-BTC:

- + Circumstances when the General Director and the Supervisory Board may request the convening of a BoD meeting and questions submitted for BoD’s opinions;
- + Procedures and sequence of convening a meeting, meeting invitations, writing of meeting minutes, notification of meeting outcomes between the BoD, the Supervisory Board, and the General Director;
- + Notification of the BoD’s resolution to the Supervisory Board;
- + Contents and methods to report and inform the BoD and Supervisory Board periodically and extraordinarily by the General Director.

*(Details as per Annex 2 enclosed)*

### **3. Regulation on the organization and operation of the BoD**

a) **Regarding structure:** The amended regulation on the organization and operation of the BoD comprises of 7 chapters and 35 articles.

#### **b) Proposed amendments**

- Several contents were made consistent with VietinBank’s Charter such as rights of shareholders, GMS, General Director, Supervisory Board, meeting minutes of GMS, BoD, etc. if these are related to the aforementioned amendments of the 2018 Charter.

- BoD’s duties were separated into two groups. *The first group* includes duties as specified in VietinBank’s Charter that the BoD is legally required to approve or decide. *The second group* includes other duties as it is practically required for delegation of authority by the executive management situation at VietinBank.

- Standing BoD: The content related to the activities of the standing BoD in the Regulation on organization and operation of the BoD was removed.

- The BoD Committees: The number of BoD committees was made consistent with the Charter and the Internal Regulation on Corporate Governance. There was no longer specific detailing of the committees’ duties but instead of that, the general functioning of all committees was specified which is to advise and support the BoD to supervise the implementation of strategic targets, plans and resolutions issued by the BoD. The specific duties of each committee shall be provided for in such committee’s regulation on organization and operation by the BoD.

- The relationships among the BoD, the Supervisory Board and the Board of Management: Based on the principle and content of coordination in the Internal

Regulation on Corporate Governance, the working relationships among the BoD, the Supervisory Board, and the Board of Management are detailed in compatibility with VietinBank's practical situation and the duties of each concerned party.

*(Details as per Annex 3 enclosed)*

#### **IV. Other content**

- The General Meeting of Shareholders hereby assign and authorize VietinBank's Board of Directors to: (i) Finalize the content adjustment of VietinBank's Charter on organization and operation, Internal Regulation on Corporate Governance, regulations on organization and operation of VietinBank BOD to follow applicable laws and guidance from relevant governmental agency (if necessary); (ii) Complete the registration/notification for governmental managing agencies and notify Shareholders on VietinBank's website. Charter

Respectfully submitted to the General Meeting of Shareholders for consideration and approval./.

**ON BEHALF OF THE BOARD OF  
DIRECTORS  
CHAIRMAN**

*(Signed and Sealed)*

**Nguyen Van Thang**