

**VIETNAM JOINT STOCK COMMERCIAL
BANK FOR INDUSTRY AND TRADE****SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness**

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PROPOSAL

*Approval of amendments and supplements to governance regulations of Vietnam
Joint Stock Commercial Bank for Industry and Trade*

**Respectfully submitted to: The General Meeting of Shareholders of Vietnam
Joint Stock Commercial Bank for Industry and Trade (VietinBank)**

Pursuant to the Law on Credit Institutions No. 47/2010/QH12 dated June 16, 2010; the Law No. 17/2017/QH14 dated November 20, 2017 on amendment to several articles of the Law on Credit Institutions and its guiding documents;

Pursuant to the Law on Enterprises No. 59/2020/QH13 dated June 17, 2020 and its guiding documents;

Pursuant to the Law on Securities No. 54/2019/QH14 dated November 26, 2019 and its guiding documents;

Pursuant to Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government detailing some articles of the Law on Securities and Circular 116/2020/TT-BTC dated December 31, 2020 of the Ministry of Finance on Standard Charter and Regulation on internal governance for public companies.

Pursuant to the authority of General Meeting of Shareholders, the Board of Directors of Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) would like to respectfully submit to the Annual General Meeting of Shareholders of VietinBank for consideration and approval the revisions to the Charter on Organization and Operation of VietinBank, the Regulation on Internal Governance of VietinBank and the Regulation on organization and operation of the Board of Directors of VietinBank. Specifically:

I. Necessity for amendment:

On June 17, 2020, the National Assembly adopted the Law on Enterprises No. 59/2020/QH13. According to the review and impact assessment of the above documents, VietinBank's Charter, Regulation on Internal Governance, Regulation on the Organization and Operation of VietinBank's Board of Directors (Governance Regulations) need amendment and supplementary to ensure compliance and conformity with the Law on Enterprises 2020.

Besides, from VietinBank's experiences in implementing governance regulations, experiences of other banks in dealing with similar governance-related issues, and international standards & common practices, it is required that VietinBank's governance regulations need to be revised to ensure their suitability with actual practices and aiming at international common practices.

II. Major amendments to the Charter

1. Interpretation of terms (Article 1 of the Draft)

- The definition of 'related persons' is amended according to regulations in the Law on Credit Institutions.

- The following is added to the definition of "Independent member of the Board of Directors": "except for the case of reappointment for the second term of office consecutively", to ensure conformity with Clause 2, Article 155 of Law on Enterprises.

- To add the definition of "family relatives" as set forth in Clause 22, Article 4 of Law on Enterprises because the Charter does cover issues related to family relatives.

2. VietinBank's legal representatives and stamp (Article 4, Article 5 of the Draft): To separate 2 articles on legal representative and on stamp.

3. Rights of shareholders: (Article 23 of the Draft) To amend the right of a shareholder or a group of shareholders "owning from 10% of VietinBank's total ordinary shares in at least 6 continuous months" to "a shareholder or a group of shareholders owning from 05% of VietinBank's total ordinary shares" in relation to the performance of rights namely reviewing, investigating, extracting minutes and resolutions of the General Meeting of Shareholders; convening General Meeting of Shareholders in case the Board of Directors seriously violates the rights of VietinBank's shareholders, duties of managers or makes any decision that is beyond the assigned authority, to be in line with Article 115 of Law on Enterprises 2020.

4. Representatives authorized by shareholders (Article 23, 28 of the Draft)

- To add to Article 23 and specify the number of representatives authorized by institutional shareholders in pro rata with the percentage of charter capital held by that shareholder to be in line with Clause 2, Article 14 of Law on Enterprises 2020.

- To revise Clause 3, Article 28 specifying that shareholders are only allowed to authorize representatives using the authorization format issued by VietinBank to shareholders are entitled to authorize representatives in an appropriate form as regulated in the Civil Code, to be in line with Clause 3, Article 141 of Law on Enterprises 2020.

5. The return and transfer of shares (Article 17 and Article 21 of the Draft)

- To add share transfer (Article 17): VietinBank must register the change in Shareholders in the Shareholder Register at the request of related Shareholders within 24 hours after receiving the request as provided for in this Charter as specified at Clause 9, Article 15 of the draft Charter, ensuring conformity with Clause 7, Article 127 of Law on Enterprises.

- To remove Article 21 (of the existing Charter) about the return of shares because it is only applicable for the case of enterprise establishment.

6. General Meeting of Shareholders (Article 26, 27, 33, 35 of the Draft)

- Convening the General Meeting of Shareholders (Article 26): To add further duties of the Board of Directors in convening the General Meeting of Shareholders at the request of shareholders or groups of shareholders owning at least 05% of the total ordinary shares of VietinBank in case the Board of Directors seriously violates the rights of shareholders, duties of VietinBank's managers or makes any decision that is beyond the assigned authority, to be in line with Article 115 of Law on Enterprises 2020.

- To revise and to add Clause 16, Article 27 specifying the right of the General Meeting of Shareholders in approving the list of independent auditing firms; making decision or authorizing the Board of Directors to make decision on the selection of an independent auditing firm to inspect the activities of VietinBank, to be in line with Point m, Clause 2, Article 138 of Law on Enterprises 2020.

- To revise Clause 5, Article 26 specifying that the location for the General Meeting of Shareholders is in the territory of Vietnam and the city where the General Meeting of Shareholders is held shall be where the Chairman participates in the meeting and shall be in the territory of Vietnam. Also to add that VietinBank can organize online annual General Meeting of Shareholders.

- Time for General Meeting of Shareholders (Article 26): To remain the clause that the General Meeting of Shareholders must be convened within 04 months since the end of the previous fiscal year. Also to add to Clause 1, Article 26 that the Board of Directors shall decide deferral of the annual General Meeting of Shareholders where necessary by up to 06 months from the end of the fiscal year, to be in line with Clause 2, Article 139 of Law on Enterprises.

- Invitation, agenda and content of the General Meeting of Shareholders (Article 30): To amend the deadline to prepare the list of shareholders, to reject shareholder's request, to send invitation letters, to be in line with the revision of the Law on Enterprises 2020.

- Meeting Minutes of the General Meeting of Shareholders (Article 35): To add one more scenario where the meeting chairman or secretary refuses to sign the Minutes of the General Meeting of Shareholders, the Minutes is still valid if signed by all the other members of the Board of Directors attending the meeting and if it has sufficient contents as regulated (It must be shown in the Minutes that the meeting chairman or secretary refuses to sign the Minutes), to be in line with regulations at Point i, Clause 1, Article 150 of Law on Enterprises 2020.

- The adoption of the decision made by the General Meeting of Shareholders (Article 33):

+ To amend Clause 2, Article 33 specifying some important issues that require direct vote for approval at the General Meeting of Shareholders to “the General Meeting of Shareholders shall vote in the the form of voting at the General Meeting of Shareholders (In person, via authorized representative, sending vote, attending online meeting and sending vote online)” to be in line with Clause 2, Article 147 of Law on Enterprises 2020 and Clause 3, Article 59 of Law on Credit Institutions.

+ To add: A resolution the General Meeting of Shareholders that makes any adverse changes to rights and obligations of preference shareholders may only be ratified if it is voted for by a number of preference shareholders that participate in the meeting and hold at least 75% of the same kind of preference shares; or in case of approval via written opinion collection, it needs to be approved by preference shareholders that hold at least 75% of the same kind of preference shares, ensuring conformity with Clause 6, Article 148 of Law on Enterprises 2020.

7. Regulations about the Board of Directors and Supervisory Board Article 38, 39, 43, 54, 57 of the Draft)

- Regarding standards and conditions to be satisfied by a member of the Board of Directors (Article 38), to add: A member of the Board of Directors must

not be a family relative of either the General Director or any other managers of VietinBank, ensuring conformity with Point d, Clause 1, Article 155, Law on Enterprises 2020.

- Regarding power of the Board of Directors specified at Clause 5, Article 39: To amend the authority of the Board of Directors to make decision on the organizational structure of the Head Office to “authority to make decision on the organizational structure of VietinBank”, to be in line with Clause 2, Article 153 of Law on Enterprises 2020.

- Regarding the Meeting of the Board of Directors (Article 43): To add cases where a member of the Board of Directors is considered participated in and voted at the Meeting (attending the meeting in person, authorizing a representative, sending vote to the meeting, attending and voting in online meeting), to be in conformity with Clause 9 and Clause 11, Article 157, Law on Enterprises 2020.

- Regarding duties and authority of the Supervisory Board (Article 54):

+ To add further right of the Supervisory Board to participate in and make comments at meetings of the General Meeting of Shareholders, meetings of the Board of Directors and other meetings of VietinBank, ensuring conformity with Clause 9, Article 170 of Law on Enterprises 2020.

+ To add the right to propose, recommend the General Meeting of Shareholders to approve the list of audit firms permitted to audit the financial statements of VietinBank; decide the audit firm permitted to audit the activities of VietinBank, dismiss the approved auditor if it is deemed necessary, in accordance with Article 288 of Decree 155/2020/ND-CP.

- Regarding the Meeting of the Supervisory Board (Article 57): To specify that the Supervisory Board has to hold at least two (02) meetings a year and the meeting can only be held when the number of participants is at least two third (2/3) the total number of members of the Supervisory Board, in reference to Clause 3, Article 38 of the standard Charter of public companies.

8. Regulations on contract and transaction between VietinBank and related persons (Article 62 of the Draft)

To specify that the General Meeting of Shareholders or the Board of Directors shall approve contracts and transactions between VietinBank and the following related persons: Shareholders, authorized representatives of institutional shareholders holding more than 10% of VietinBank’s total ordinary shares and their related persons, ensuring conformity with Article 167 of Law on Enterprises 2020.

9. Other regulations updated according to corresponding provisions of

Law on Enterprises 2020.**III. Regulation on Internal Governance and Regulation on the Organization and Operation of the Board of Directors of VietinBank**

- Similar amendments made to the Charter are to be proposed in relation to the Regulation on Internal Governance and Regulation on the organization and operation of the Board of Directors of VietinBank.

- To restructure the Regulations to be in line with the Sample Regulation introduced at Circular 116/2020/TT-BTC.

- To remove from the Regulations duplicated contents which have been mentioned at the Regulation on Internal Governance of VietinBank and Regulation on the organization and operation of the Board of Directors VietinBank to avoid duplication.

(Details of amendments made to the Charter, Regulation on Internal Governance and Regulation on the organization and operation of the Board of Directors are presented in the Draft. Detailed explanation is enclosed)

The Board of Directors would like to respectfully propose the General Meeting of Shareholders to:

1. Approve the amendments and the full text of the Charter, Regulation on Internal Governance and Regulation on the Organization and Operation of the Board of Directors of VietinBank.

2. Authorize the Board of Directors to make further amendments, adjustments, supplementary at the request of the State Bank of Vietnam (if any).

3. Competent person to sign for approval of the promulgation of the Charter, Regulation on Internal Governance of VietinBank and Regulation on the Organization and Operation of the Board of Directors of VietinBank with amendments approved by the General Meeting of Shareholders and adjusted by the Board of Directors at the request of the State Bank of Vietnam (if any).

We hereby seek the approval of the General Meeting of Shareholders.

**PP. THE BOARD OF DIRECTORS
CHAIRMAN**

Lê Đức Thọ