

SOCIALIST REPUBLIC OF VIETNAM

Independence – Liberty – Happiness

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**ABBANK**  
ĐẠI HỘI ĐỒNG CỔ ĐÔNG ĐÃ THÔNG QUA VĂN BẢN NÀY  
GENERAL SHAREHOLDERS MEETING APPROVED THIS DOCUMENT  
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## PROPOSAL TO GENERAL SHAREHOLDERS MEETING ON ABBANK'S NEW CHARTER

To the attention of An Binh Commercial JS Bank's shareholders meeting

### I. THE REQUIREMENT OF NEW ABBANK CHARTER PROMULGATION

1. The current Charter of ABBANK has been promulgated for ten years. Although it is still annually reviewed and amended to comply to the legal regulations and to align to the actual requirements of the Bank, however due to multiple changes and amendments it is necessary to review, draft and promulgate the new Charter to unify the textual content.
2. The new Law on Securities was approved by the National Assembly on November 26, 2019 (the Securities Law 2019) and the new Law on Enterprises was approved by the National Assembly on June 17, 2020 (the Enterprise Law 2020), both will be effective on the 1<sup>st</sup> January 2021 to replace the Law on Securities 2006 (amended 2010) and the Law on Enterprises 2014; concurrently many documents guiding the implementation of these two new Laws were also issued that regulate the legal framework related to enterprises in general and public companies on the stock market in particular, which require us to comprehensively update and adjust the Charter of ABBANK.
3. To comply with the requirements on listing and registration of commercial banks' shares trading under the direction of the Prime Minister, the State Bank of Vietnam and the State Securities Commission, ABBANK hired Viet Capital Securities Joint Stock Company to act as consultant to build a roadmap and file for listing shares, in which the first stage of trading registration in 2020 is proceeded as recommended by the authorities. From December 28, 2020, ABBANK shares with the code of ABB have been traded on UPCoM floor of the Hanoi Stock Exchange (HNX). Thus, ABBANK has completed the registration of centralized trading at the Stock Exchange

in accordance with the roadmap required by the Prime Minister and the State Bank. The fact that ABBANK registered for centralized transactions on UPCoM both ensured compliance and created momentum for the future official listing plan. In order to implement the listing roadmap, ABBANK's Charter must review and re-standardize to ensure the full structure and content of the model charter of a public company according to Circular No. 116/2020 / TT-BTC.

For the reasons presented above, it is necessary to review and draft new ABBANK's Charter. With the support of the BizConsult Law Firm, ABBANK drafted the new Charter. The new Charter Draft was completed after many internal consultation and complete revision, approved by the Board of Directors to submit to the General Meeting of Shareholders at the annual meeting of 2021.

## **II. NEW CHARTER DRAFTING PRINCIPLES**

The drafting of the new Charter in order to standardize it to the model charter of listed public companies is implemented on the following principles:

1. Simultaneously ensure the compliance with 3 groups of laws which are directly related to ABBANK's operations: Law on Credit Institutions 2010 (amended in 2017), Law on Securities 2019 and Law on Enterprises 2020 and guiding documents which were newly issued (as Decree 155/2020/ND-CP), regulations of the State Bank such as Circular 13/2018/TT-NHNN, Circular 41/2016 / TT-NHNN, Circular 22/2019/TT-NHNN...)
2. Ensure the reference to the content of the model charter of public companies according to Circular No. 116/2020/TT-BTC; at the same time refer to the charter content of the joint stock commercial banks listed in the Vietnam Stock Exchange in order to meet the requirements applicable to listed companies and corporate governance orientation according to the best practice.
3. Inherit the foundation and relevant provisions of the current Charter as well as some specific contents of the current Charter and the actual operation of ABBANK; remove the provisions that are not really necessary and no longer appropriate.

## **III. STRUCTURE AND MAIN CONTENTS OF THE DRAFT CHARTER**

The draft of new Charter has the structure of 6 chapters with a total of 86 Articles, with the following main contents:

**1. Chapter I: General provisions (from Article 1 to 8)**

Compared with the current Charter, this Chapter omits many theoretical provisions on banking operations, only rearranges the necessary basic contents including objectives, scope and operational content which are inherited from the current Charter and in accordance with the License granted by the State Bank of Vietnam. In this Chapter, there are additional provisions to specify the number and obligations of the legal representative of ABBANK as required by the Law on Enterprises 2020 and the Model Charter of public companies. In Clause 1 Article 2 of the draft, the name of the Bank is also prescribed, including full name in Vietnamese, full name in English, short name in Vietnamese and abbreviated name in English (ABBANK).

**2. Chapter II: Charter capital, shares, shares (from Article 9 to Article 18), divided into 2 sections:**

a) Section 1 - Charter Capital (Article 9 and Article 10): Basic contents as stipulated in the current Charter and in accordance with the License issued by the State Bank of Vietnam.

b) Section 2 - Stocks, shares (from Article 11 to Article 18): including regulations on limit of share ownership, purchase, sale, transfer of shares, redemption of shares, inheritance, donation. Stocks, shares, shares certification, bonds issuance with basic contents as prescribed by the current Charter and in accordance with the Law on Enterprises 2020 and the Law on Securities 2019.

**3. Chapter III: Organization and management of ABBANK (from Article 19 to Article 69), divided into 7 sections:**

a) Section 1 - General provisions (from Article 19 to Article 32): Including management and organization structure; internal control system; internal audit; those who do not hold or concurrently assume the position; automatically disqualified; dismissal, dismissal; suspension, temporary suspension; election, appointing; disclosure of related interests; obligations to be honest, prudent, avoiding conflicts of interests applied for managers, controllers and executives of ABBANK; liability and compensation; transactions must be approved by the General Meeting of Shareholders, the Board of Directors; Remuneration, salaries and other benefits of members of the Board of Directors, members of the Supervisory Board, General Director, and other executives.



In general, the contents of the above provisions are inherited, supplemented and improved from the provisions of the current Charter. In addition, in this section, there are additional provisions specifying the number of candidates for which a shareholder or group of shareholders have the right to nominate members of the Board of Directors, the Supervisory Board in proportion to the percentage of share ownership (Article 27.2).

- b) Section 2 - Shareholders and General Meeting of Shareholders (from Article 33 to Article 49): Regulations on rights and obligations of shareholders, register of shareholders and establishment of list of shareholders with additional updates according to the provisions of the Law on Enterprises 2020.

The important content in this section is about the General Meeting of Shareholders. Accordingly, compared with the provisions of the current Charter:

- Many provisions related to the General Meeting of Shareholders are directly drafted instead of only referring to the Law on Enterprises as in the current Charter;
- Update and supplement the new contents of the new Law on Enterprises 2020 such as the required time to send the invitation to the General Meeting of Shareholders must be at least 21 days before the opening date (the current regulation is 10 days); amend the time for making the list of shareholders before the date of sending the notice of invitation to the meeting of the General Meeting of Shareholders to be no earlier than 10 days from the date of sending the notice of convening (current regulation is 5 days) and the provisions of the Model Charter of public company.
- Adding regulations on the online form of the General Meeting of Shareholders and electronic voting stemming from the reality of Covid-19 pandemic and experiences from many public companies have added provisions to the Charter on online General Meeting of Shareholders as a basis to apply when it is necessary to hold an online meeting instead of a regular meeting.
- Unanimously recording the election of members of the Board of Directors and Supervisory Board by the only method of cumulative voting.
- Synchronize the conditions for approving the decisions of the General Meeting of Shareholders by collecting opinions corresponding to the conditions when approved at the meeting (over 51%, over 65% or over 75% depending on the content of issue).

- c) Section 3 - Board of Directors (from Article 50 to Article 58): Compared with the current Charter, there are some updated contents:
- Additional regulations on the number of independent members corresponding to the number of members of the Board of Directors according to the provisions of the model charter of public companies.
  - Amend clearer regulations on the authority of the Board of Directors to promulgate the decentralization mechanism for credit approval, separating the regulations on the authority of the Board of Directors to approve credit granting and decentralizing the authority to grant credit into a separate term; At the same time, it also specifies the decentralization of investment approval, procurement, and approval for borrowing to mobilize capital, and other transactions.
  - Amend regulations about online BOD meeting, supplement regulations on the Board of Directors approvals in the form of collecting written opinions, via email on the basis that there have been stable practices for many years according to the Regulations on approving decisions of the Board of Directors under the Decision 153/QĐ-HĐQT.16.
  - Supplement regulations on the appointment and responsibilities of the title of Company Secretary, person in charge of corporate governance according to the Law on Enterprises 2020 and the model Charter of public companies.
  - Continuing to inherit specific regulations at ABBANK such as requesting the Board of Directors to approve on the principle of consensus of all members who have voting rights on a number of issues (Article 55.3).
- d) Section 4 - Supervisory Board (from Article 59 to Article 64): The basic contents are as provided for in the current Charter and in accordance with the Law on Enterprises 2020 and the Law on Credit Institutions.
- e) Section 5 - General Director (from Article 65 to Article 67): Reviewed and reorganized from the contents of the current Charter and in accordance with the Law on Enterprises 2020 and the Law on Credit Institutions.
- f) Section 6 – Right to investigate company records and documents (Article 68): Basic contents according to the model charter of public company.
- g) Employees and Labor Union: (Article 69): Basic contents according to model charter of public company.

**4. Chapter IV: Financial accounting, auditing regime, reporting information (from Article 70 to Article 79), divided into 3 sections:**

- a) Section 1 - General provisions (from Article 70 to Article 74): specifying the financial regime, fiscal year; accounting system; financial reports and annual reports; independent audit; use of capital and ensure a safety ratio. The basic contents are as current Charter. In addition, there is a provision in this section that allows the Board of Directors to choose an independent auditor in case the annual meeting of the General Meeting of Shareholders is delayed after 04 (four) months from the end of the fiscal year with conditions that the selected independent auditing organization must belong to the group of prestigious international auditing organizations (Big4), is approved to audit an entity with public interests in the securities sector in accordance with current regulations and does not fall into the case of auditing ABBANK's financial statements for more than 5 consecutive years. The Board of Directors is responsible for reporting to the General Meeting of Shareholders on the selection of an independent auditor in this case.
- b) Section 2 - Establishment of funds and distribution of profits (Articles 75 and 76): Content is reviewed and completed from the current Charter and reality on allocate funds from profit after tax and distributing the remaining profits. Regarding the dividend distribution, in addition to regulations on dividend payment conditions, the draft has additional provisions on dividend policy including guiding principles in dividend distribution in order to harmonize immediate and long-term benefits, ensuring sustainable development, in particular, the dividend payment of ABBANK is considered based on the following policies: consistent with the profit growth rate of ABBANK; transparency, fairness and in the best interests of shareholders; The balance between the Bank's intrinsic accumulation requirements and shareholders dividends demands, between cash and stock dividends in line with ABBANK's development strategy and actual situation from time to time period.
- c) Section 3 - Information and reporting regime (from Article 77 to Article 79): regulations on information and confidentiality; reporting and information disclosure and documents retention regime is compiled and supplemented as required by the model Charter applicable to public companies.

5. **Chapter V: Dispute settlement, reorganization, dissolution, bankruptcy (from Article 80 to Article 84):** The basic contents are as provided for by the current Charter and in accordance with the Enterprise Law 2020; Law on Credit Institutions and Model Charter of Public Companies. The new Charter stipulates the role of the Chairperson of the Board of Directors in internal dispute settlement. In addition, the draft of new Charter stipulates the role of the Head of the Supervisory Board to appoint an expert as mediator in internal disputes at the request of the parties in cases the Board of Directors or the Chairperson of the Board of Directors is a dispute party.
6. **Chapter VI: Implementation provisions (Articles 85 and 86),** in which the terms of validity have provisions for the case of technical updating of information in the Charter in accordance with the revised content of the License issued by the State Bank to ABBANK when it arises (such as updating the charter capital after raising capital, updating the address of the head office, updating the operation content under the License issued by the State Bank) will be issued by the Legal Representative of ABBANK is responsible for implementing, confirming, announcing and reporting to the State Bank and management agencies according to current regulations and reporting to the General Meeting of Shareholders at the nearest meeting not waiting for the meeting of the General Meeting of Shareholders to approve.  
The new Charter is expected to be applied from the time it is approved by the General Meeting of Shareholders.

#### **IV. PROPOSAL**

We propose the General Meeting of Shareholders to approve the new Charter as draft attached (including the addition of English abbreviation ABBANK as prescribed by the Charter to meet the State Bank's requirements in completing procedures for adding English abbreviations in the License for establishment and operation of Bank).

Respectfully submitted.

**ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN**

*(Signed)*

**Dao Manh Khang**