

# **ABBANK CHARTER** (AMENDED)



Meeting  
Documents

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*Hanoi, March 27, 2025*

**SUBMISSION TO THE GENERAL MEETING OF SHAREHOLDERS  
ON ABBANK'S CHARTER (AMENDED)**

**To: The General Meeting of Shareholders  
of An Binh Commercial Joint Stock Bank (ABBANK).**

**I. THE NECESSITY OF ISSUING THE CHARTER (AMENDED)**

1. The current ABBANK Charter was re-issued in 2021 (Charter 2021) on the basis of two new laws promulgated at that time, namely the Law on Securities dated November 26, 2019 (Law on Securities 2019) and the Law on Enterprise dated June 17, 2020 (Law on Enterprise 2020), both effective on January 1, 2021, replacing the Law on Securities 2006 (amended in 2010) and the Law on Enterprise 2014. At the same time, the Charter 2021 has also been updated with many provisions from documents guiding the implementation of these two Laws applicable to the organization and operation of ABBANK as a large-scale public company with shares registered for centralized trading on the UPCOM floor in accordance with the provisions of the laws on securities and the stock market and standardizing the required structure and contents according to the Model Charter of a public company.
2. Next, based on the results of the offering and issuance of shares to increase ABBANK's charter capital, the business registration authority has issued an amended Business Registration Certificate, and the State Bank has issued an amended and supplemented license. Based on the content of the above-mentioned amended license, and at the same time to update the amended and supplemented provisions of the Enterprise Law, in 2022 and 2023, the 2021 Charter will continue to be adjusted, specifically:
  - a) In 2022, ABBANK's Charter was amended and supplemented:
    - To update the new charter capital and number of shares according to the results of the stock offering to existing shareholders, issuing shares under the ABBANK Employee Stock Option Program and issuing shares from equity sources (bonus shares) to existing shareholders in 2022 (ABBANK's charter capital has increased from VND 5,713,113,550,000 to VND 9,409,470,820,000).
    - To supplement the provisions in the Charter to limit the total share ownership of foreign investors at ABBANK.

- To update the provisions on the Minutes of the Board of Directors' meetings according to the provisions amending the Enterprise Law dated January 11, 2022.
- b) In 2023, ABBANK's Charter was amended and supplemented:
- To update the charter capital and number of shares according to the results of the share issuance to pay dividends to shareholders in 2023 (ABBANK's charter capital has increased from VND 9,409,470,820,000 to VND 10,350,367,620,000).
3. On January 18, 2024, the new Law on Credit Institutions (Law on Credit Institutions 2024) was passed with a fairly comprehensive scope of amendments and supplements in both structure and content with many new provisions. The Law on Credit Institutions 2024 takes effect from July 1, 2024, replacing the Law on Credit Institutions 2010 (amended and supplemented in 2017). On April 4, 2024, the State Bank of Vietnam issued Notice No. 124/TB-NHNN on the conclusion of the Governor of the State Bank at the online conference to disseminate the Law on Credit Institutions 2024, requiring credit institutions to *"urgently review the Charter and the system of internal regulations to amend, supplement, and replace them to ensure compliance with the provisions of the Law on Credit Institutions 2024"*.

Based on the above context and to ensure compliance and consistency with the provisions of the Law on Credit Institutions 2024, it is necessary to review and amend the Charter of ABBANK to submit to the General Meeting of Shareholders for approval at the annual meeting in 2025.

The Board of Directors respectfully submits to the General Meeting of Shareholders the draft of ABBANK's Charter which has been developed and revised after internal consultations.

## **II. DRAFTING PRINCIPLES**

The drafting of the Charter is carried out on the following principles:

1. Simultaneously ensuring compliance with the requirements of 3 legal documents directly related to ABBANK's operations: Law on Credit Institutions 2024, Law on Securities 2019 and Law on Enterprises 2020 as well as documents guiding the implementation of these Laws. In particular, identifying and updating according to specific provisions of the Law on Credit Institutions 2024 on issues related to the management organization and operations of ABBANK.

2. Referring to the structure and contents of the Model Charter of a public company according to Circular No. 116/2020/TT-BTC to meet the orientation of charter standards applicable to listed companies and corporate governance according to good practices.
3. Inheriting the foundation and specific provisions, suitable for the actual operations of ABBANK in the current Charter; At the same time, continue to review and eliminate unnecessary and no longer appropriate regulations.

### **III. STRUCTURE AND CONTENT OF THE DRAFT CHARTER**

The Draft Charter (amended) retains the same structure as the current Charter, consisting of 6 chapters with a total of 86 Articles with some main contents amended and supplemented to update the provisions of the Law on Credit Institutions, including:

#### ***1. Chapter I: General provisions (from Article 1 to Article 9)***

The main amendments to this Chapter include:

- Expanding the scope of Related Persons (Article 1.1(1)) in compliance with Article 4.24 of the Law on Credit Institutions 2024.
- Change the legal representative from Chairman of the Board of Directors to General Director to be proactive in work and suitable to the actual situation of ABBANK (Article 3).
- Adding 1 article (Article 6) on promulgating internal regulations on business operations and participation in the controlled testing mechanism with content consistent with the new regulations in Article 101 and Article 106 of the Law on Credit Institutions 2024.
- Adding requirements to ensure data security and ensure continuous operation (Article 8).
- Adding regulations on limiting capital contribution and share purchase to prevent cross-ownership (Article 9.10).

#### ***2. Chapter II: Charter capital, shares and stocks (from Article 10 to Article 19), including 2 Sections:***

- a) Section 1 - Charter capital (Article 10 and Article 11): Basic contents as prescribed in the current Charter and in accordance with the License issued by the State Bank.
- b) Section 2 – Shares and stocks (from Article 12 to Article 19): The important amendment is:
  - Tightening the limit on share ownership (Articles 12.2 and 12.3) to comply with the provisions of the Law on Credit Institutions 2024, specifically:
    - An individual shareholder can only own a maximum of 5%, an organization shareholder can only own a maximum of 10% of ABBANK's charter capital.

- A shareholder and related persons of that shareholder can own a maximum of 15% of ABBANK's charter capital.

From July 1, 2024 (the effective date of the Law on Credit Institutions), shareholders, shareholders and related persons owning shares exceeding the share ownership ratio may continue to maintain their shares but may not increase their shares until they comply with the provisions on share ownership ratio as prescribed in this Charter, except in the case of receiving dividends in the form of shares.

- Adjusting the maximum limit of total foreign investors' share ownership at ABBANK from 24.6% to 16.5% (current actual level) to proactively reserve room for major foreign shareholders/strategic shareholders when needed.
- In addition, the draft Charter removes the requirement that major shareholders must obtain approval from the State Bank before transferring shares (Article 15.3) because the Law on Credit Institutions 2024 only requires cases of receiving transfers to become major shareholders to have prior approval from the State Bank.

**3. Chapter III: ABBANK's management organization (from Article 19 to Article 69), including 7 Sections:**

- a) Section 1 - General provisions (from Article 20 to Article 32): Main amendments and supplements:
  - Carrying out audits of the internal control system as required by the State Bank and the application of technology in the control (Article 21.3 and Article 21.4).
  - In particular, new regulations were added in Article 24 about not concurrently holding positions. Accordingly, members of the Board of Directors (not only the Chairman of the Board of Directors as currently) cannot concurrently be managers (members of the Board of Directors, General Director, Deputy General Director...) of other credit institutions or other enterprises... Stricter regulations on not concurrently holding positions for members of the Board of Supervisors and General Director have also been updated. These amendments are to comply with the provisions of Article 43 of the Law on Credit Institutions 2024.
  - Another noteworthy point is the amendment to Article 29 with stricter requirements on the obligation to fully declare information about related persons of shareholders owning 1% or more of ABBANK's share capital in addition to the group of subjects: Members of the Board of Directors, members of the Board of Supervisors, General Director, Deputy General Director as prescribed in current regulations. The provision of information in writing is carried out for the first time and each time there is a change within 07 working days from the date of occurrence or change of

information. Annually, ABBANK must report to the General Meeting of Shareholders information on:

- Organizations with interests related to managers, members of the Board of Supervisors of ABBANK (other organizations that themselves or together with related persons own 5% or more of capital or are managers, Supervisors/members of the Board of Supervisors or organizations that are related parties of them).
- Information on the number and percentage of shares owned by shareholders and related persons for shareholders owning 1% or more of ABBANK's charter capital (in addition to being published on the ABBANK website).
- Credit granting to subjects with credit restrictions as prescribed in Clause 1, Article 135 of the Law on Credit Institutions 2024.

In addition, Article 29.6 of the draft Charter stipulates that ABBANK Managers and Executives are obliged to promptly, fully and accurately notify ABBANK of their interests in other organizations, transactions with other organizations and individuals that may conflict with ABBANK's interests and may only participate in such transactions when approved by the Board of Directors. The entities providing and publicly disclosing information must ensure that the information provided and publicly disclosed is truthful, accurate, complete and timely and must be responsible for providing and publicly disclosing such information.

- Removing the separate provisions on the requirement for transactions with Related Persons to be approved by the General Meeting of Shareholders and the Board of Directors to avoid duplication because these contents have been specifically regulated in Articles: 38.16, 38.17 and Articles 52.6, 52.7, 52.8 of the draft Charter on the authority to approve contracts and transactions of the General Meeting of Shareholders and the Board of Directors, including contracts and transactions with Related Persons in accordance with the content regulated in Article 67.3(q)(r) and Articles 70.8, 70.9 of the Law on Credit Institutions 2024.
- b) Section 2 - Shareholders and General Meeting of Shareholders (from Article 33 to Article 49): Important amendments include:
  - Adjusting the provisions on the rights of major shareholders/groups of shareholders in Articles 34.3 and 34.4 based on the specific provisions of the Law on Credit Institutions 2024 (Articles 61.9 and 67.2(d)). Accordingly, Shareholders or groups of shareholders owning 5% or more of the total number of common shares have the right to nominate people to the Board of Directors, the Board of Supervisors and Shareholders or groups of shareholders owning more than 10% of the total number of common shares

have the right to request the Board of Directors to convene an extraordinary meeting of the General Meeting of Shareholders.

- Adjusting and rearranging a number of provisions on the duties and powers of the General Meeting of Shareholders (Article 38), on the General Meeting of Shareholders (Article 39) to comply with the provisions of Article 67 of the Law on Credit Institutions 2024 as well as current practices.
- Amending and supplementing the provisions in Article 46 and Article 47 of the Charter on the procedures and conditions for passing decisions of the General Meeting of Shareholders in accordance with the provisions of the Law on Credit Institutions. This is a specific provision of the Law on Credit Institutions 2024, different from the Law on Enterprises 2020. Accordingly, the Decision of the General Meeting of Shareholders must be passed by voting at the General Meeting of Shareholders, including 4 contents:
  - Approving the development orientation of ABBANK;
  - Deciding on the number of members of the Board of Directors and the Board of Supervisors; electing, dismissing, removing, electing additional members, and replacing members of the Board of Directors and the Board of Supervisors;
  - Considering and handling, within its authority, violations by the Board of Directors and the Board of Supervisors that cause damage to ABBANK and its shareholders;
  - Deciding on division, separation, consolidation, merger, conversion of legal form, dissolution or requesting the Court to open bankruptcy proceedings.

(Other issues can be approved by obtaining shareholders' opinions)

The conditions for approval by the number of shareholders representing over 65% when passing a resolution of the General Meeting of Shareholders are applied in 3 cases:

- Approval of the plan to change the charter capital level; the plan to offer and issue shares, including the type of shares and the number of new shares to be offered;
- Approval of the decision to invest, purchase, or sell fixed assets of ABBANK in which the investment level, expected purchase price or original price in the case of selling fixed assets has a value of 20% or more of ABBANK's charter capital stated in the most recent audited financial statements;
- Decision on division, separation, consolidation, merger, conversion of legal form, dissolution or request for the Court to open bankruptcy proceedings for ABBANK.

(Other issues, the required ratio is over 50%).

- c) Section 3 - Board of Directors (from Article 50 to Article 58): Compared to the current Charter, the following contents have been updated:
  - Amending and supplementing the requirements on the structure of the Board of Directors including at least 2 independent members and at least 2/3 of the total number of members being independent, non-executive members (Article 50).
  - Reviewing, amending, supplementing and rearranging the regulations on standards and conditions for Board of Directors members (Article 51); duties of the Board of Directors (Article 52), rights and obligations of the Chairperson of the Board of Directors (Article 53), rights and obligations of Board of Directors members (Article 54) based on relevant provisions of the Law on Credit Institutions 2024.
  - Unanimously applying the principle of the Board of Directors passing decisions based on the majority members of the Board of Directors voting in favor in Article 55.2 of the draft Charter, in accordance with the provisions of Article 157 of the Law on Enterprises 2020.
- d) Section 4 - Board of Supervisors (from Article 59 to Article 64): The amended contents include:
  - Increasing the minimum number of members of the Board of Supervisors (Article 59.2) to 5 people (current regulation is 3 people) to comply with the provisions in Article 51.2 of the Law on Credit Institutions 2024.
  - Reviewing, amending, supplementing, and rearranging the regulations on standards and conditions for members of the Board of Supervisors (Article 59); promoting the role, tasks, and powers of the Board of Supervisors (Article 60) in accordance to provisions of Law on Credit Institutions.
- e) Section 5 - General Director (from Article 65 to Article 67): Review, amend, supplement, and rearrange the provisions of the current Charter based on relevant provisions of the Law on Credit Institutions 2024.
- c) Section 6 - Right to inspect company books and records (Article 68): Basic content remains the same as current regulations and is consistent with the Model Charter of a public company.
- d) Section 7 - Employees and Trade Unions: (Article 69): The basic content remains the same as current regulations and is consistent with the Model Charter of a public company.

#### **4. Chapter IV: Financial, Accounting and Reporting Information Regulations (from Article 70 to Article 79):**

This chapter consists of 3 sections: Section 1 - Financial, Accounting Regulations (from Article 70 to Article 74); Section 2 - Fund Allocation and Profit Distribution (Article 75 and Article 76); Section 3 - Information Reporting Regulations (from Article 77 to Article 79).



In general, the content of this Chapter was reviewed, revised and supplemented to comply with relevant provisions of the Law on Credit Institutions 2024.

**5. Chapter V: Dispute resolution, reorganization, dissolution, bankruptcy (from Article 80 to Article 84):**

The contents of this Chapter were reviewed and rearranged for brevity, mainly by referring to relevant provisions of the Law on Credit Institutions 2024.

**6. Chapter VI: Implementation provisions (Articles 85 and 86):**

The basic content remains the same as the current regulations.

During the drafting process, the contents of draft Charter were consulted with and revised based on comments from the Board of Supervisors, Internal Audit and legally reviewed by the Legal and Compliance Division before reporting to the Board of Directors for submission to the General Meeting of Shareholders.

#### **IV. RECOMMENDATION**

Respectfully submit to the General Meeting of Shareholders for approval of ABBANK Charter according to the attached draft.

Sincerely,

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN  
(Signed)**

**Dao Manh Khang**