

Ref: 02 /2012/QĐ-HDQT

Ha Noi, March 20th, 2012

DECISION OF THE BOARD OF MANAGEMENT 5TH MEETING OF 2ND TERM

THE BOARD OF MANAGEMENT

- Pursuant to the Enterprise Law, the Insurance Business Law and the implementation guiding documents;
- Pursuant to License of Establishment and Operation 28GP/KDBH dated 15/11/2004, Amended License 28/GPDC3/KDBH dated 11/8/2011 of the Ministry of Finance;
- Pursuant to the Charter of Organization and Operation of Vietnam National Reinsurance Corporation;
- Based on the discussions and voting results at the 5th meeting of the Board of Management, 2nd term, on March 19th, 2012;

DECIDES

Article 1: To approve the audited financial statements 2011 and submit to the GSM for approval.

1. To approve unconsolidated financial statements 2011, which was audited by Deloitte Vietnam. Some key figures in 2011:

- Gross written premium: VND 1,419,981,922,364, increasing 7.6% over the target and increasing 16.8 % compared with 2010;
- Net written premium: VND486,369,935,781 increasing 8.08 % over the target and increasing 17.4 % compared with 2010;
- Financial investment and other incomes: VND 267,501,331,485 growing 2.9% over the target and increasing 8.9% in comparison with 2010;
- Pre-tax profit: VND297,794,619,460 increasing 0.95 % over the target and growing 10.9% compared with 2010;

General observation: VINARE has outperformed all the targets of the 2011 business plan.

2. To approve consolidated financial statements 2011, which was audited by Deloitte Vietnam.

Some key figures:

- Total assets: VND4,075,985,685,647
- Liabilities: VND1,788,570,294,459
- In which: Technical reserves: VND690,779,786,751
- Equity capital: VND2,252,785,242,919

Article 2: To approve the Salary fund realised in 2011 (Including Unit Salary, Fixed Salary and Supplemented Salary – excluding salary of full-time BOM members):): **VND23,699,504,243.**

Article 3: To approve the Purchases realised in 2011: VND163,733,700. VINARE is responsible for managing, cost recording and using the assets according to relevant regulation

Article 4: To approve the allocation of profit 2011 and submit to the GSM for approval:

4.1 Profits:

- Previous period's undistributed profit carried forward to 2011: VND92,419,153,366 (after paying 2010 dividend for the 2nd and the 3rd time at the rate of 10%: VND67,218,440,000)

In which: Distributable profit: VND83,986,011,562

Undistributable profit (foreign currency translation): VND8,433,141,804

- Profit realised in 2011:

Profit before tax: VND297,794,619,460

Profit after tax: VND230,684,313,452

- Accumulated profit after tax as at 31/12/2011: VND323,103,466,818

In which: Distributable profit: VND314,670,325,014

Undistributable profit as a result of foreign currency translation: VND8,433,141,804

4.2 Allocation of profit after tax:

- Allocation to Financial Provision Fund 10%: VND23,068,431,345
- Allocation of Compulsory Reserve Fund 5%: VND11,534,215,673
- Allocation to Business Development Fund 2%: VND 4,613,686,269
- Dividend payment in 2011 - 15%: VND151,241,487,000

In which: The first payment of dividend at 10% already made : VND100,827,658,000

The second payment of dividend at 5% to be made: VND50,413,829,000

- Bonus fund for persons outside VINARE (0.6% of pre-tax profit): VND1,787,000,000
- CEO's bonus fund (10% of one-month salary): VND214,040,159
- Corporate welfare fund (one-month salary): VND2,140,401,591
- Bonus to the BOD, BOM, BOC, Chief Accountant (0.25% of pre-tax profit): VND744,000,000
- Donation for construction of the ceremony site at the Martyrs Cemetery Road no. 9 in Quang Tri: VND300,000,000
- Retained profit: VND127,460,204,781

In which : Distributable profit: VND119,027,062,977

Undistributable profit as a result of foreign currency translation: VND8,433,141,804

NB: The allocation of the above-mentioned funds has been approved by the GMS. The payment of dividend has been approved at the rate of 15%.

Article 5: To approve the Remuneration (including tax) for BOM, BOC and secretaries in 2011

- Remuneration to the BOM (including remuneration (salary) for full-time BOM members): VND2,878,698,706
- Remuneration to the BOC (0.15% of profit before tax): VND446,691,929
- Remuneration to the Secretariat (under GMS Resolution): VND52,800,000

Article 6: To approve the Business plan for 2012 with key targets as follows (Excluding incomes – expenses of Agriculture Reinsurance in compliance with regulations of the MOF:

- Gross written premium: VND1,600 bn
- Net written premium: VND563 bn
- Pre-tax profit: VND355 bn (in which: Investment returns and other incomes VND316 bn)
- Projected minimum 2012 dividend payment: 18%

Article 7: To appoint Mr. Thomas Kessler - Deputy Chief Executive Officer of Vietnam National Reinsurance Corporation for two-year period from 1st April. 2012:

Compensation: Salary, bonus and allowance including accommodation, benefits, health insurance, studying fees and traveling fees of Mr. Thomas Kessler during the above mentioned period will be covered by Swiss Re in compliance with Swiss Re's regulations. All the working expenses, including traveling will be covered by Vinare.

Article 8: To approve the Salary scheme and the Indicator of “Total Incomes – Total Expenses” for 2012:

- Together with the business targets assigned for each year, the BOM will assign the target “Total income – Total expenses without salary fund” in order to determine the salary fund. In case of catastrophe losses, VINARE is allowed to use part of the Catastrophe Reserve to compensate for these losses according to the decision of the BOM.
- Principle to determine the salary fund for staff (not including the salary for full-time BOM members, BOD and Chief Accountant):
 - + Unit price: 61.78 dong/1,000 dong of “Total income – Total expenses without salary fund”.
 - + In excess of the target “Total income – Total expenses without salary fund”: the salary unit of 85 dong/1,000 dong of “Total income – Total expenses without salary fund” in excess of the target
- Principle to determine the salary fund for full-time BOM members, BOD and Chief Accountant: following Decision 02/2011/QĐ-HĐQT dated 22/3/2011 by the BOM and the details in Minutes 01/2011/BB-HĐQT dated 18/3/2011.
- The above principles are to be applied from 01/01/2012 until otherwise decided by the BOM
- Target “Total income – Total expenses without salary fund” for 2012: VND386 bn

Article 9: To approve the launching of Export Credit & Surety Reinsurance.

Article 10: To approve the report on strategic cooperation during 2011 and 2012 plan, report on IT implementation, and report of the Board of Management 2011.

Article 11: To agree with and submit to the GSM to approve the proposal of the BOC: approving the list of auditing companies for 2012 as follows:

1. Auditing, Accounting and Financial Consultancy Service Company (AASC)
2. KPMG Vietnam Ltd
3. Deloitte Vietnam Ltd
4. Ernst & Young Vietnam Ltd (E & Y)
5. Pricewaterhouse Coopers Vietnam Ltd (PWC)

The BOM Chairman is authorised to select one of the above-mentioned auditing companies to audit 2012 financial statements based on the proposal made by the CEO.

Article 12: To approve the agenda for the Annual General Meeting of Shareholders 2012:

❖ Proposed time: April 27th 2012

❖ Agenda:

- Report on 2011 business results and 2012 business plan (attached audited unconsolidated and consolidated financial statement)
- Allocation of profit after tax, dividend payment and remuneration to BOM, BOC and secretaries 2011
- Report of the BOM 2011
- Report of the BOC 2011
- Selection of independent auditor 2012

Article 13: To authorize the Chairman of the Board of Management to approve the documents to submit to 2012 Annual General Meeting of Shareholders.

Article 13: This decision is of full force and effect from the date of signing. The Chief Executive Officer and the relating personnel are responsible for the implementation of this decision./.

For and on behalf of **BOARD OF MANAGEMENT**

CHAIRMAN

Receivers::

- BOM , BOC, BOD

- Filing: BOM secretaries

General Affairs, Investment

Trinh Quang Tuyen