

Ref: 02 /2013/QĐ-HĐQT

Hanoi, 25<sup>th</sup> March, 2013

**DECISION OF THE BOARD OF MANAGEMENT  
7<sup>TH</sup> MEETING OF 2<sup>ND</sup> 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 7<sup>th</sup> meeting of the Board of Management, 2<sup>nd</sup> term, on March 20<sup>th</sup>, 2013.

**DECIDES**

**Article 1:** To approve the audited financial statements 2012 and submit to the GSM for approval.

***1.1. To approve the unconsolidated financial statements 2012, which was audited by Deloitte Vietnam.*** Some key figures:

- Gross written premium: VND1,695,259,813,154. In which:
  - + Non-pilot-agro written premium: VND1,608,445,963,742, equaling to 100.5% of target and increasing 13.27% compared with 2011;
  - + Pilot-agro written premium: VND86,813,849,412.
- Net written premium: VND655,065,854,023
  - + Non-pilot-agro net written premium: VND646,743,673,397, increasing 14.87% over the target and increasing 32.97% compared with 2011;
  - + Pilot-agro net written premium: VND8,322,180,626.
- Financial investment and other incomes: VND295,266,123,074, increasing 13.13% over the target and increasing 10.38% incomparison with 2011;
- Pre-tax profit: VND313,618,609,000, growing 4.67 % over the target and growing 5.31% compared with 2011; In which:
  - + Profit excluding pilot-agro result: VND300,344,501,952, equaling to 110.12% of target and 100.86% of 2011.
  - + Profit from pilot-agro reinsurance: VND (19,700,018,427).
  - + Undistributable profit as a result of foreign exchange gain: VND32,974,125,475.

***General observation: VINARE has fulfilled all the targets of the 2012 business plan.***

***1.2. To approve consolidated financial statements 2012, which was audited by Deloitte Vietnam.***

Some key figures :

- Total assets: VND4,212,190,090,676.
- Liabilities: VND1,858,279,561,951.

*In which:* Technical reserves: VND801,019,523,858.

- Equity capital: VND2,319,702,717,093.

**Article 2:** To approve the decision of the Authorised Representative at Samsung-Vina Insurance Joint Venture (SVI) to make supplemental capital contribution in order to increase SVI's charter capital from VND300 billion to VND500 billion according to SVI's capital development plan. The amount of supplemental capital to be contributed is VND75 billion in 2012 and VND25 billion in 2013. Source: from equity capital.

**Article 3:** To approve the Salary fund realised in 2012 (Including Unit Salary, Fixed Salary and Supplemented Salary – excluding salary of full-time BOM members): **VND28,808,557,334.**

**Article 4:** To approve the Purchases and Repairs of fixed assets realised in 2012: **VND10,194,903,722.** VINARE is responsible for managing, cost recording and using the assets according to relevant regulation.

**Article 5:** To approve the allocation of profit 2012 and submit to the GSM for approval:

***5.1 Profits:***

- Previous period's undistributed profit carried forward to 2012: VND127,460,204,781 (after paying 2011 dividend for the 2<sup>nd</sup> time at the rate of 5%: VND50,413,829,000)

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

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

- Profit after tax realised in 2012: VND267,523,121,833

**In which:** Distributable profit: VND234,548,996,358

Undistributable profit (foreign exchange gain): VND32,974,125,475

- Accumulated profit after tax as at 31/12/2011: VND394,983,326,614

**In which:** Distributable profit: VND353,576,059,335

Undistributable profit as a result of foreign exchange gain: VND41,407,267,279

***5.2 Allocation of profit after tax:***

- Allocation to Financial Provision Fund 10%: VND23,454,899,636
- Allocation of Compulsory Reserve Fund 5%: VND11,727,449,818
- Allocation to Business Development Fund 2%: VND4,690,979,927
- Dividend payment in 2012 - 18%: VND181,489,784,400

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

The second payment of dividend at 8% : VND80,662,126,400

- Bonus fund: VND2,645,996,444
- Corporate welfare fund (one-month salary): VND2,599,964,442
- Bonus to the BOD, BOM, BOC, Chief Accountant (0.25% of pre-tax profit): VND702,000,000
- Retained profit: VND168,374,251,947

In which: Distributable profit: VND126,966,984,668

Undistributable profit as a result of foreign exchange gain: VND41,407,267,279

- NB: The allocation of the above-mentioned funds has been approved by the GMS. The payment of dividend in 2012 has been approved at the rate of 18%.

**Article 6:** To approve the Remuneration (including tax) for BOM, BOC and secretaries in 2012 (Rate and amount have been approved by BOM/GMS): **VND3,868,299,708**

- Remuneration to the BOM (not including remuneration (salary) for full-time BOM members): VND1,386,426,979
- Remuneration (salary) to full-time BOM member: VND2,481,872,729
- Remuneration to the BOC: VND470,427,913
- Remuneration to the Secretariat: VND52,800,000

**Article 7:** To approve the Business plan for 2013 with key targets as follows (Excluding incomes – expenses of Agriculture Reinsurance in compliance with regulations of the MOF):

**7.1 Business plan for 2013** (Excluding incomes – expenses of Agriculture Reinsurance in compliance with regulations of the MOF) – Some key targets:

- Gross written premium: VND1,412 bn
- Net written premium: VND468 bn
- Pre-tax profit: VND360 bn (in which: Investment returns and other incomes VND263 bn, and does not include foreign exchange gain - if any)
- Projected 2013 dividend: 20%

**7.2 Gross written premium from Pilot Agriculture Insurance** (estimated), separate recording according to MOF regulation: VND180 bn

**Article 8:** Appointment of Deputy CEO:

- To appoint Mr. Mai Xuan Dung the position of Deputy Chief Executive Officer of Vinare for a period of three years with effect from 01/04/2013.
- Mr. Mai Xuan Dung receives the salary level in compliance with the current remuneration scheme of Vinare as follows: Basic salary: Level I/II for the position of Deputy CEO, from 01/4/2013; Business performance salary: Level I/IV, salary coefficient for the position of Deputy CEO from 01/4/2013; other benefits in compliance with the regulations of Vinare.

**Article 9:** To approve the Salary Scheme and the Indicator of “Total Incomes – Total Expenses”:

- 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 Non-management Staff Salary Fund (not including full-time BOM members, BOD and Chief Accountant):
  - ✓ Salary Unit: 70.23 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 Management 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 growth in Average Salary of the current financial year in comparison with the immediate previous financial year must not be higher than the growth in Average Productivity of the current financial year in comparison with the immediate previous financial year.
- The above principles are to be applied from 01/01/2013 until otherwise decided by the BOM.
- Target “Total income – Total expenses without salary fund” for 2013 (not including Pilot-Agro business result and the impact of foreign exchange gain if any): VND388 bn.

**Article 10:** To approve the Letter of Resignation of Mr. Nguyen Anh Dung. To agree with the nomination of Mr. Dao Nam Hai for the position of BOM member of the term 2010-2014 at the Annual General Meeting of Shareholders 2013.

**Article 11:** To approve the Letter of Resignation of Ms. Nguyen Thi Thanh Van. To agree with the nomination of Mr. Tran Trung Tinh for the position of BOC member of the term 2010-2014 at the Annual General Meeting of Shareholders 2013.

**Article 12:** To approve the Report on Strategic Cooperation 2012 and 2013 Plan, Report on IT Project, and Report of the Board of Management 2012.

**Article 13:** To approve the tasks assignment among BOM members as follows:

*1. Mr. Trinh Quang Tuyen, BoM Chairman*

- Overall responsibility, issues belonging to responsibility of the BoM Chairman set out in Article 28 of the Charter
- Directly in charge of Development Strategy of VNR
- Rewards and discipline
- In charge of strategic cooperation with Swiss Re
- Issues delegated by the BoM

- Other tasks of a member of the BoM in compliance with the Law on Enterprises and the Charter of Organization & Operation of VNR
2. *Mr. Martyn Parker, BoM Deputy Chairman*
- Development of business exchange and relationship with international market
  - Swiss Re support in improving VNR's competitiveness
  - Support policies of human resource development and remuneration policies
  - Tasks assigned by the BoM and issues delegated by the Chairman during the operation
  - Other tasks of a member of the BoM in compliance with the Law on Enterprises and the Charter of Organization & Operation of VNR
3. *Mr. Le Song Lai, Member of the BOM*
- Oversee the Corporate financial situation
  - Investment activities and improve investment capability of VNR
  - Tasks assigned by the BoM and issues delegated by the Chairman during the operation
  - Other tasks of a member of the BoM in compliance with the Law on Enterprises and the Charter of Organization & Operation of VNR
4. *Mr. Pham Cong Tu, Member of the BOM cum CEO*
- Directly carry out the functions and tasks of the CEO under the regulations of the Charter of Organization & Operation and the Law on Enterprises
  - Study and propose solutions on improving competitiveness and developing business activities of VNR
  - Tasks assigned by the BoM and issues delegated by the Chairman during the operation
  - Other tasks of a member of the BoM in compliance with the Law on Enterprises and the Charter of Organization & Operation of VNR
5. *Mr. Tran Trong Phuc, BoM Deputy Chairman*
- Mr. Tran Vinh Duc, Member of the BOM*
- In charge of developing local market and local business exchange
  - Tasks assigned by the BoM and issues delegated by the Chairman during the operation
  - Other tasks of a member of the BoM in compliance with the Law on Enterprises and the Charter of Organization & Operation of VNR
6. *Member of BOM (to be elected at the coming AGM)*
- In charge of human resources
  - In charge of developing local market and local business exchange
  - Tasks assigned by the BoM and issues delegated by the Chairman during the operation
  - Other tasks of a member of the BoM in compliance with the Law on Enterprises and the Charter of Organization & Operation of VNR

**Article 14:** Amendment of the Charter of Organisation and Operation

- The BOM delegate to the BOM Chairman to review and decide the amendments of some articles in the Charter of Organization and Operation to submit to the Annual General Meeting of Shareholders 2013 for enactment. (Details of the amendments attached).
- On the basis of the amended Charter, to delegate to the Chairman and Board of Directors the revision of Corporate Governance Regulation and other internal regulations to ensure their compliance with current laws and legal regulations, to be submitted to BOM for approval in the next BOM meeting.

**Article 15:** To agree with and submit to the GSM to approve the proposal of the BOC:

- To approve the list of auditing companies for 2013 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 )
- To delegate to the BOM to select one of the above-mentioned auditing companies to audit 2013 financial statements.

**Article 16:** To approve the organisation structure of Vinare and the implementation plan as proposed by the Chief Executive Officer.

**Article 17:** To approve the agenda for the Annual General Meeting of Shareholders 2013:

- Proposed time: April 25th 2013
- Agenda:
  - ✓ Report on 2012 business results and 2013 business plan
  - ✓ Allocation of profit after tax, dividend payment and remuneration to BOM, BOC and secretaries 2012
  - ✓ Report of the BOM 2012
  - ✓ Report of the BOC 2012
  - ✓ Selection of independent auditor 2013
  - ✓ Approval of amendments to the Charter of Organisation and Operation
  - ✓ Approval of resignation and election of BOM and BOC members

**Article 18:** The BOM delegate to the BOM Chairman to approve the documents to submit to 2013 Annual General Meeting of Shareholders and to decide on arising issues relating to the convention of 2013 Annual General Meeting of Shareholders.

**Article 19:** 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**