

SUBMISSION TO THE GENERAL MEETING OF SHAREHOLDERS

Approving amended Charter, Internal Corporate Governance Rules, Rules of Operation of BOD

(Material of the Annual General Meeting of Shareholders – 23rd April 2020)

Circular 116/2020/TT-BTC was released on 31/12/2020 by Ministry of Finance to provide guidance on some articles about corporate governance of public companies stipulated in Decree 155/2020/NĐ-CP dated 31/12/2020 by the Government guiding the implementation of the Law on Securities. The Circular came into effect on 15/02/2021 and replaced Circular 95/2017/TT-BTC dated 22/9/2017 by Minister of Finance providing guidance on some articles of Decree 71/2017/NĐ-CP dated 06/6/2017 by the Government on corporate governance of public companies.

Circular 116 provided samples for the following documents:

- Company Charter
- Internal rules on corporate governance
- Rules of operation of Board of Directors
- Rules of operation of Board of Control
- Rules of operation of Audit Committee

In compliance with Circular 116, Vietnam National Reinsurance Corporation (VINARE) has reviewed the related documents and would propose the following amendments:

I. Charter of Organization and Operation:

The Charter of Organization and Operation is to be amended following the Sample Charter provided in Circular 116, consisting of 21 chapters, 63 articles.

- Chapter 1: Definition of terms used in the Charter
- Chapter 2: Company name, form of establishment, head office, branch, representative office, term of operation and legal representative
- Chapter 3: Objective, scope of business and operation
- Chapter 4: Charter capital, share
- Chapter 5: Governance model
- Chapter 6: Shareholder and General Meeting of Shareholders
- Chapter 7: Member of Board of Director, Board of Director
- Chapter 8: Board of Management
- Chapter 9: Board of Control
- Chapter 10: Responsibilities of members of Board of Directors, Board of Control, Chief Executive Officer and other managers

- Chapter 11: Access to documents and files
- Chapter 12: Employee and Trade Union
- Chapter 13: Profit distribution
- Chapter 14: Bank account, financial year
- Chapter 15: Annual report, financial statements and information disclosure
- Chapter 16: Corporate auditing
- Chapter 17: Corporate seal
- Chapter 18: Termination of operation and liquidation
- Chapter 19: Internal disputes
- Chapter 20: Amendment of Charter
- Chapter 21: Effectiveness

The conditions for conducting the General Shareholders' Meeting, for passing resolutions of (GSM) and nominating BOD and BOC members remain unchanged. Following are some noteworthy amendments:

1. Article 4: The Legal Representative

- Current Charter: "The Legal Representative of the Corporation is the Chief Executive Officer. The CEO has all the mandates and duties of the Legal Representatives as prescribed by law."
- Amended Charter: "The Corporation has two Legal Representatives:
 - a. Chief Executive Officer
 - b. Legal Representatives appointed by BOD

Mandates and obligations of Legal Representatives:

- a. The Legal Representative is the individual representing the Corporation to exercise rights and obligations arising from transactions of the Corporation, representing the Corporation as applicant for civil matters, plaintiff, defendant, person with related rights and obligations before the Arbitrator, Court, and other rights and obligation prescribed by law.
- b. The Legal Representatives have the mandates and obligations as prescribed by law."

2. Article 14. Rights of shareholders

- Current Charter: "... A shareholder or a group of shareholders that holds at least 3% of the total ordinary shares for at least 6 consecutive months ..."
- Amended Charter: "... A shareholder or a group of shareholders that holds at least 3% of the total ordinary shares ..."

3. Article 17. Rights and duties of GSM

- Amended Charter: "... The GSM approved the Internal rules on corporate governance, Rules of operation of Board of Directors and Rules of operation of Board of Control

4. Article 20. Convening the General Meeting of Shareholders, agenda and notice to convene the General Meeting of Shareholders

- Current Charter: "...The notice of the meeting must be sent to all shareholders in the List of shareholders eligible to attend the meeting at least 10 days prior to the date of the meeting. ..."
- Amended Charter: "... The Corporation must disclose the establishment of the list of shareholders eligible to attend the GSM at least **20 days** prior to the last registration date. ... The convener of the GSM must send notice of the meeting to all shareholders in the List of shareholders eligible to attend the meeting at least **21 days** prior to the date of the meeting..."

5. Article 25. Resolution, Minutes of GSM

- Amended Charter: "... In case the Chairperson, Secretary refuse to sign on the minutes, the minutes maintains its validity if it is signed by the Directors who attend the meeting and contains all the contents provided for in this article. The minutes shall declare the fact that the Chairperson, Secretary refuse to sign the minutes. ..."

6. Article 29. Composition and office term of Board of Directors

- Amended Charter: "... An individual can only be elected as independent Director of the Corporation for not more than two consecutive terms. ..."

7. Article 41. Composition of Board of Control

- Amended Charter: "...Member of the Board of Control must satisfy the criteria and conditions as prescribed at paragraph 1 Article 169 of the Enterprise Law and not be the followings:
 - a. An employee working in the accounting, finance department of the Corporation;
 - b. A partner or an employee of the approved auditing company which performed the auditing of financial statements of the Corporation for the last 03 consecutive years;
 - c. A family-related person of the management of the Corporation; the authorised capital representative at the Corporation. ..."

8. Article 42. Head of Board of Control

- Current Charter: "... The Head of Board of Control must be a professional auditor or accountant and must work fulltime at the Corporation.. ..."
- Amended Charter: "... The Head of the Board of Control must have university graduation certificates in one of the areas: economics, finance, accounting, auditing, law, business management or a study related to the business of the Corporation. ..."

9. Article 58. Seal

- Current Charter: "... The Board of Directors shall decide to approve the Corporation's official seal and the seal shall be made in accordance with the laws. ..."
- Amended Charter: "... Seals include the seal made by the seal maker or the seal in digital signature format according to the laws on electronic transactions. The Board of Directors decides the types, numbers, forms and contents of the seal of the Corporation and branch of the Corporation ..."

II. Internal Rules on Corporate Governance

The Internal Rules on Corporate Governance is amended following the Sample Rules provided for in Circular 116 and consist of 8 chapters, 23 articles.

Amended version	Current version <i>(Approved by AGM on 11/6/2020)</i>
Chapter 1: General provisions	Chapter 1: General provisions
Chapter 2: General Meeting of Shareholders	Chapter 2: Procedures of convening and voting at the General Meeting of Shareholders
Chapter 3: Board of Directors, Committees under Board of Directors	Chapter 3: Member of Board of Directors, Board of Directors
Chapter 4: Board of Control	Chapter 4: Member of Board of Control, Board of Control
	Chapter 5: Establishment and operation of committees under BOD
Chapter 5: Chief Executive Officer	Chapter 6: Selection, appointment and discharge of corporate management
Chapter 6: Coordination between BOD, BOC and CEO	Chapter 6: Coordination between BOD, BOC and CEO
Chapter 7: Evaluation, commendation and punishment	Chapter 7: Evaluation, commendation and punishment
Chapter 8: Effectiveness	Chapter 9: Head of Corporate Governance

The amended Rules has two new provisions in Chapter 2 on:

1. The procedures of the GSM organised via electronic device (Article 5).
2. The procedures of the GSM organised both physically and via electronic device (Article 6).
3. The other provisions either refer to the amended Charter and/or remain unchanged.

III. Rules of Operation of Board of Directors

The Rules of Operation of Board of Directors are amended following the Sample Rules provided for in Circular 116 and consist of 7 chapters, 25 articles.

Amended version	Current version <i>(Issued by Chairman on 16/6/2005)</i>
Chapter 1: General provisions - Governing scope and applicable entities - Principles of operation	Chapter 1: General provisions - Objective - Principles of operation

<p>Chapter 2: Member of BOD</p> <ul style="list-style-type: none"> - Rights and obligations of members of BOD - Access to information - Terms of office and number of members - Criteria and conditions of member of BOD - Chairman of BOD - Deputy Chairman of BOD - Dismissal, removal, replacement and addition of members of BOD - Procedures of election, dismissal, removal of members of BOD - Notification of election, dismissal, removal of members of BOD 	<p>Chapter 2: Specific provisions</p> <ul style="list-style-type: none"> - Chairman of BOD - Deputy Chairman of BOD - Member of BOD - Working mechanism of BOD - Voting by BOD - Coordination - Procedures of meetings of BOD - Remuneration and rewards - Responsibilities of secretaries and assistants
<p>Chapter 3: Board of Directors</p> <ul style="list-style-type: none"> - Rights and obligations of BOD - Duties and mandates of BOD in approving, signing contracts and transactions - Responsibility of BOD in convening the extraordinary General Meeting of Shareholders - BOD Committees 	
<p>Chapter 4: Meetings of Board of Directors</p> <ul style="list-style-type: none"> - Meetings of Board of Directors - Minutes of meetings of BOD - Collecting opinions of members of the BOD in writing 	
<p>Chapter 5: Reporting, disclosing interests</p> <ul style="list-style-type: none"> - Yearly reporting - Remuneration, reward and other benefits of members of BOD - Disclosing of related interests 	
<p>Chapter 6: Coordination of BOD</p> <ul style="list-style-type: none"> - Coordination among members of BOD 	

- Coordination with BOM - Coordination with BOC	
Chapter 7: Evaluation, commendation and punishment	
Chapter 8: Effectiveness	Chapter 3: Effectiveness

The details of the Rules are consistent with the provisions in the amended Charter and/or unchanged compared with the current Rules.

Proposal to the General Meeting of Shareholders:

“Approve the entirety of the following documents:

- Charter of Organisation and Operation (amended)
- Internal Rules on Corporate Governance (amended)
- Rules of Operation of Board of Directors (amended)”

Chairman

Nguyen Anh Tuan