

REPORT OF THE BOARD OF DIRECTORS 2021

(Document for 2022 Annual General Meeting of Shareholders 22 April 2022)

I. OPERATION OF THE BOARD OF MANAGEMENT IN 2021

A/ 2021 BUSINESS RESULTS

- According to the plan assigned by the General Meeting of Shareholders:

Unit: VND million

Items	2020			2021		
	Plan	Perfor mance	2020/ 2019	Plan	Perfor mance	2021/ 2020
Gross written premium	2,565.0	2,447.7	+10.2%	2,019.2	2,246.1	-8.2%
- Core business	N/A	1,612.5	-5.4%	1,709.2	1,728.5	+7.2%
- PA Home credit	N/A	835.2	+61.8%	310.0	517.6	-38.0%
Combined Ratio (%)	97.3	99.4		98.4	97.1	
Pre-tax profit	355.6	357.2	7,0%	377.0	407.9	+14.2%
- Profit excluding foreign exchange gains	355.6	358.3			408.8	+14.0%
- Foreign exchange gains		(1.2)			(0.9)	
ROE		9.9%			10.8%	

VINARE has outperformed the business plan assigned.

B/ ACTIVITIES OF THE BOARD OF DIRECTORS IN 2021

In 2021, the BoD has conducted regular meetings (3 times), collected opinion form in writing and also voted for some issues relating to the operation of the Corporation (5 times).

1. BOD Meetings in 2021:

❖ 4th BOD Meeting, 4th term dated 24/3/2021

- To acknowledge that VINARE has fulfilled the business plan assigned, submit to the General Meeting of Shareholders for consideration and decision making.
- To approve 2020 audited Financial Statement.

- To approve the allocation of profit 2020 and submit to the the General Meeting of Shareholders for approval.
- To approve and submit to the the General Meeting of Shareholders the remuneration for BOD, BOC and secretaries in 2020.
- To approve the related party transaction in 2020.
- To approve the Report of the Board of Directors 2020.
- To approve the report on Tien Phong Bank's stock liquidation in 2020
- To approve business plan for 2021 and submit to the the General Meeting of Shareholders for approval
- Plan on increasing the Charter capital 2021
- Establishment of Internal Audit Department;
- To acknowledge discussions related to the draft amendments of Charter of Organization and Operation, Corporate Governance Rules, and Operation Rules of BOD;
- To agree with and submit to the the General Meeting of Shareholders to approve the proposal of the BOC on the list of auditing companies for 2021;
- The BOD delegate to the Chairman to approve the documents to submit to the General Meeting of Shareholders 2021 and to decide on arising relating to the convention of the Annual General Meeting of Shareholders 2021;
- Supplement issue on election of an additional member of the Board of Directors for the term 2020 - 2024 to the agenda of the Annual General Meeting of Shareholders 2021.

❖ **5th BOD Meeting, 4th term dated 29/6/2021**

- To acknowledge the interim business results of first quarter of 2021
- To approve the internal audit plan for the last 6 months of 2021;
- To approve the revised Regulation on Information Disclosure;
- To assign the Board of Management to incorporate the inputs from Board members and complete the amendments of Investment Guidelines, Finance Rules, Regulation on succession planning, appointment, re-appointment and dismissal of management titles under BOD's authority for accomplishment and issuance;
- To approve the task assignment of members of the Board of Directors in Committees;
- To approve the change in name of the Risk Management Department as Risk Management & Compliance Department;
- To assign the Chief Executive Officer to amend the Operation Regulation of Risk Management Department to supplement the function of compliance;
- To assign the Chief Executive Officer issues the Decision to dissolve the Internal Inspection and Control Unit.

❖ **6th BOD Meeting, 4th term dated 10/11/2021**

- To acknowledge the business results of first nine months of 2021;
 - To agree with the assessment and comments of the Human Resource Committee on the Self-review and assessment on the performance of the Chief Executive Officer's duties from November 2, 2020 to November 2, 2021;
 - To approve the policy of supplement another Deputy Chief Executive Officer to strengthen the Board of Directors;
 - To agree to adjust the salary payment of the Executive Board in Vietnam dong to ensure to be compliance with the legal regulations on foreign exchange management;
 - To agree on the progress report of the reinsurance management system application project (ViCore);
 - To agree with the report of the Internal Audit Department on the process of managing the reinsurance business claim - Debt management – Payment;
 - To agree with the report of the Board of Management about VINARE Invest.
2. The BoD has collected opinion form in writing and promulgated decisions as follows:
- **Decision No. 02/2021/QD-HDQT dated 25/02/2021**
 - To approve salary and other benefits for Executive Chairman of the Board of Directors for 2020 – 2024 term.
 - **Decision No. 03/2021/QD-HDQT dated 10/03/2021**
 - To approve the time and agenda of 2021 Annual General Meeting of Shareholders.
 - **Decision No. 14/2021/QD-HDQT dated 08/06/2021**
 - To agree to select PWC Viet Nam as the external auditing company to audit VINARE's 2021 financial statement.
 - **Decision No. 15/2021/QD-HDQT dated 28/06/2021**
 - To select the contractor to develop and deploy reinsurance management system application (ViCore) at VINARE.
 - **Decision No. 27/2021/QD-HDQT dated 24/12/2021**
 - Reinsurance program 2022 of VINARE.

C/ ACTIVITIES OF COMMITTEE OF THE BOARD OF DIRECTORS 2021

1. Strategic Development Committee:

- Direct and supervise the implementation of business plan 2021 and 5-year plan for 2020 – 2024 period.
- Direct and review the growth targets for 2022-2024 period.

2. Human Resource Committee:

- Complete the Regulation on Succession planning, appointment, re-appointment and dismissal of management titles under the Board’s authority;
- Evaluate the 1-year performance of the Chief Executive Officer.

3. Remuneration and Compensation Committee:

- Maintain the compensation policy applied in 2020;
- Review the compensation policy for executive Board member.

D/ REMUNERATION FOR BOD MEMBERS 2021

Pursuant to the Resolution No. 06/2013/NQ-DHĐCĐ dated 25/4/2013, remuneration (including tax) for BoD, BoC and secretaries was VND 3.85 billion/year.

- The remuneration for each member is distributed in compliance with Decision No. 11/2015/NQ-HDQT dated 21/8/2015
- The remuneration for Executive Chairman is complied with Decision No. 02/2021/NQ-HDQT dated 25/2/2021

Income (before tax) for each member in 2021 as follows:

No.	Board of Directors	Income (before tax) (VND)
1	Mr. Nguyen Anh Tuan – Chairman, Head of Strategic Development Committee and Human Resource Committee	Not receive
2	Mr. Nguyen Xuan Viet – Deputy Chairman	216,000,000
3	Mr. Mai Xuan Dzung – Director, Chief Executive Officer	180,000,000
4	Mr. Dao Nam Hai – Director	180,000,000
5	Mr. Nguyen Dinh An – Director	180,000,000
6	Mr. Vu Anh Tuan – Director	180,000,000
7	Mr. Pham Phan Dzung – Director, Head of Remuneration and Compensation Committee	240,000,000
8	Mr. Jared Orchard – Deputy Chairman	216,000,000
9	Ms. Nguyen Thi Quynh Huong – Director (Member since 23/4/2021)	124,120,879
	Total	<u>1,516,120,879</u>

E/ SUPERVISION OVER BOARD OF MANAGEMENT AND MANAGEMENT LEVEL

- All issues relating to the decision making of the BOD have been discussed and informed in a fully, timely and correctly manner to the BOM.
- The BOM has strictly followed all resolutions of Annual General Meeting of Shareholders and Board of Directors.
- The BOM has been present and given opinions at BOM meetings.
- All proposals of the BOM to the BOD have been studied and discussed and the BOD has given out directions in a timely manner.
- The CEO has directed the Corporation and the management level to follow all the decisions of the BOD, AGM and regulatory requirement, charter of listed company in a fully and timely manner.

F/ COORDINATION WITH THE BOC AND DIRECTION OF THE BOM'S OPERATION

- The BOD has closely coordinated with the BOC and directed the BOM in the implementation of the resolutions of AGM and the BOD.
- Implementing the decisions of the BOD, the Executive Chairman has closely directed to ensure the stability and development of VINARE: directing the BOM to effectively implement a number of key tasks: (1) to connect with primary insurance companies to increase the inward business, optimize reinsurance capacity, contributing to enhance VINARE's position; (2) to co-ordinate with partners to effectively develop new products, creating immediate and long-term revenue; (3) to promote the investment in safe and effective assets in the context of decreasing deposit interest rates, improving investment efficiency; (4) to focus on monitoring and improving management efficiency of equity portfolio, in which there have been positive changes at VINARE Invest Company; (5) to maintain and strengthen financial capacity, internal audit, compliance and risk management; (6) to complete mechanism and improve internal governance efficiency, the set of performance evaluation criteria, timely evaluate, motivate, reward individuals and teams with achievements; (7) to ensure facilities, adequate equipment, modern information technology in accordance with work needs; (8) to direct the prevention of Covid 19 pandemic in a safely manner.
- All issues relating to the decision making of the BOD have been discussed, informed in a fully, timely, correctly manner to the BOC and BOM.
- The BOM and BOC have participated and given opinions in all of the BOD meetings.
- The proposals of the BOM, BOC to the BOD have been considered, discussed and the BOM has given out the directions in a timely manner.
- The Corporation has followed the decisions of the BOD, AGM and also the regulations of the State, Charter of the listed company in a fully, timely manner.

II. BUSINESS PLAN AND TASKS FOR 2022

The BOD approves and directs VINARE to fulfill all the targets of 2022 business plan and tasks as follows:

A/ Business plan for 2022:

❖ *Business plan:*

Unit: VND million

Criteria	2022 Plan	2021 Performance
Gross written premium; in which premium volume from core business VND 1,883,300 million (growth of 9%)	2,211,345	2,246,160
Profit before tax	434,700	407,914
Projected dividend payment	12%	13%
Total revenues – Total expenses (not including salary fund)	504,000	473,171

❖ *Investment assets allocation:*

Unit: VND million

No.	Investment portfolio	2022 Plan	2021 Performance	+/-	Percentage (31/12/2022)
1	Deposits	2,700,000	2,740,500	(40,500)	62.8%
2	Bonds	700,000	559,490	140,510	16.3%
3	Equities	504,000	522,701	(18,701)	11.7%
	Securities, fund certificates & entrusted investment	315,000	265,000	50,000	7.3%
5	Office leasing	5,400	6,410	(1,010)	0.1%
6	Real estate	11,200	11,206		0.3%
7	Non-term deposits	64,400	25,282	39,118	1.5%
	Total	<u>4,300,000</u>	<u>4,130,589</u>	<u>169,411</u>	<u>100.0%</u>

B/ Business tasks for 2022:

1. Strive to fulfill and out-perform business plan 2022.

2. Reinsurance business:
 - Develop and enhance study/research in effective implementation of new products and business with primary insurers.
 - Strengthen connections with enterprises wishing to buy insurance protection to identify insurance demands, strengthen VINARE reinsurance capacity.
 - Strengthen relationships with major insurance brokers to find opportunities in the market.
 - Pay attention to the international market and consider the inward business from overseas.
 - Continue to strengthen cooperation with international and traditional reinsurers
3. Investment activities: Enhance investment capability, seek opportunities, optimize investment assets to improve efficiency and safety, closely monitor investment portfolio and carry out periodical evaluation
4. Strengthen activities of Internal Audit, compliance control, risk management (internal & providing value added in terms of Risk management)
5. Continue to improve resource development policies: issue and apply the Job Descriptions and Job Requirements (JD & JR); evaluate the working performance in an appropriate manner, the welfare, salary scheme to motivate the employees; hiring experts according to specific projects.
6. Improve IT capacity: put into operation the reinsurance business management system application – Vicore; e-office system; complete the new accounting software application; continue to complete and upgrade information technology infrastructure, security and privacy.
7. Credit rating and trading:
 - Maintain/upgrade credit rating
 - Strengthen connection with the market through activities such as: Organizing Reinsurance Conferences, providing periodic newsletters in Vietnamese and English about VINARE and the domestic and international insurance market for domestic and foreign partners.
 - Developing a Sustainable Development Strategy ESG
8. Internal governance activities:
 - Focus on effective cost management.
 - Reorganize the document storage system.
 - Renovate facilities, headquarters and working facilities

VINARE BOARD OF DIRECTORS