AmCham Vietnam
HCMC Chapter

Annual General Meeting
Report 2018

HCMC, Dec 5, 2018

On behalf of AmCham Vietnam, HCMC Board

Mr. Jonathan Moreno, Chairman
AmCham HCMC Board Goals During 2017-2018

- Diversify (gender, industry, etc.) and install a new generation of members into the board ensuring each member is playing a critical role in the Chapter/Chamber’s development
- Enhance cooperation and collaboration with both the US and Vietnamese Governments
- Develop new committees and reinvigorate some committees which are not operating at potential
- Ensure appropriate and effective staff leadership
- Ensure more and better events
- Grow membership especially from US companies (member companies) which were in decline prior to 2017
- Structurally align with the chapter in Hanoi for better Chamber governance and advocacy effectiveness
- Grow revenue from core chamber activities (membership, events, committees, etc.)
AmCham Board Members

Peter Albin
Governor

Michael Kelly
Governor

Bradley LaLonde
Governor

Kevin Moore
Governor

John Nguyen
Governor

Hang Nguyen
Governor

Ted Osius
Governor

Uday Sinha
Governor

William Watson
Governor
AmCham Committees

• Representing our different Industries and Firms
• Organize industry-focused events/meetings
• Identify & analyze issues; Prepare position papers/joint papers
• Drive Advocacy to Vietnamese government on how to improve the business environment
AmCham Committees Activities

AMCHAM SUPPLIER DAY 2018
Integrating SMEs Into Global Value Chain

Special Thanks To Our Sponsors:
- Diamond: Walmart
- Platinum: Coca-Cola, PROTRADE, Penflex
- Titanium: Green Speed
- Gold: OLC
- Silver: BV Industrial, HDBank
- Bronze: East West Bank, LHV, LACVIEE, USAID, ITC Vina

Special Thanks To Our Supporters:

AMCHAM SUPPLIER DAY 2018 WAS SUPPORTED BY
- 19 Sponsors
- 20 Chambers and Business Associations
- ATTRACTION
  - More than 350 Participants
  - who are Manufacturers and Suppliers in different industries
AmCham Committees Activities

Seminar on Decree 40 (Direct Selling) co-hosted with MoIT

Committee Business Event

Member Company Visit

AmCham Scholarship Program

AmCham Women in Engineering Scholarship

World Blood Donor Day
Membership

Membership Status by Type from 2016 – 4th Dec 2018

- Member Firms (U.S.)
- Assoc Firms (Intl)
- Assoc Firms (VN)
- Non-Resident
- Individual
- Senior Pro. Member
- Young Pro. Member

The YOY total membership growth (%)

- 2016: -0.88%
- 2017: 0.44%
- 2018: 10.18%

- YOY Total members growth (%)
- YOY Membership revenue growth (%)
Membership

THE U.S. CORPORATE MEMBERS

- Total U.S. Corporate Members
- Dropped U.S. Corporate Members
- New Joined U.S. Corporate Members

<table>
<thead>
<tr>
<th>Year</th>
<th>Total U.S. Corporate Members</th>
<th>Dropped U.S. Corporate Members</th>
<th>New Joined U.S. Corporate Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>134</td>
<td>32</td>
<td>18</td>
</tr>
<tr>
<td>2017</td>
<td>156</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td>Dec 2018</td>
<td>171</td>
<td>8</td>
<td>23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPI</th>
<th>Dec 4th, 2018</th>
<th>Board directed KPI's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Revenue</td>
<td>$337,709</td>
<td>$328,229</td>
</tr>
<tr>
<td>Membership Retention Rate</td>
<td>87%</td>
<td>85%</td>
</tr>
<tr>
<td>Number of dropped U.S. corporate members</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Current total of members paid (renewed and new)</td>
<td>498</td>
<td>480</td>
</tr>
<tr>
<td>New membership applications are under processing</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

500th Member
In 2018, AmCham raised our concern in the Vietnam Business Forum which focused on:

- Encouraging a clean and safe environment
- Energy to Power Vietnam’s Future
- Fair and Equal Treatment
- Removal of Barrier to Enable and Encourage the Private Sector
- Enable and encourage the private sector
- Cybersecurity Law
- Auto Imports
- Custom Audits
- Effective Tax Policy

- Enabling Financial Services
- Providing Better Healthcare
- Modernizing Education and Ensuring Appropriate Labor Costs
- Strengthening Travel and Tourism Potential
- Capitalizing on US-China Trade Tensions
- Facilitating Trade and the Flow of Goods
- Unlocking the Full Potential of Vietnam’s Digital Economy
- Creating a more Attractive, Transparent and Stable Business Environment
In 2018, 14 position papers submitted directly and 12 position papers submitted via VBF covering several sectors:

Food and Beverages, Energy, Human Resources, Direct Selling, Legal, Healthcare, Tax, Insurance
## AmCham Advocacy

<table>
<thead>
<tr>
<th>Committee</th>
<th>Vietnam Counterpart</th>
<th>Other Countries Government</th>
<th>VBF</th>
<th>Chamber Partner</th>
<th>Lawyer/ Code Administrator/ Consultant</th>
<th>International Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Selling</td>
<td>MoIT-VCA; VCCI, MLMA</td>
<td>US Embassy Sweden Embassy</td>
<td>Trade and Investment Working Group</td>
<td>EuroCham</td>
<td>Russin &amp; Vecchi; ATIM</td>
<td>World Federation of Direct Selling Association (WFDSA); ASEAN DSA</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>Ministry of Education &amp; Training</td>
<td></td>
<td>Education Working Group</td>
<td></td>
<td>Baker &amp; McKenzie</td>
<td></td>
</tr>
<tr>
<td>FBSC</td>
<td>MOH, G.O., CIEM-MPI, Ministry of Science &amp; Technology; Ministry of Agriculture &amp; Rural Development; Tax Authority; VCCI, VASEP</td>
<td>US Embassy, Department of Agriculture (USDA)</td>
<td>Tax and Customs, Trade and Investment</td>
<td>EuroCham</td>
<td>Russin &amp; Vecchi; Baker &amp; McKenzie</td>
<td>FIA</td>
</tr>
</tbody>
</table>
Business & Committee Events

Number of event in 2018:

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Event</td>
<td>4</td>
<td>0</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>1</td>
<td>9</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Committees</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>8</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>2</td>
<td>8</td>
<td>9</td>
<td>11</td>
<td>13</td>
<td>3</td>
<td>3</td>
<td>15</td>
<td>13</td>
<td>11</td>
<td>12</td>
</tr>
</tbody>
</table>

Conclusion for 2018 and comparison with 2017:

- Total of event: 107 vs 77
- Committee meeting & event: 50 vs 28
- Business event: 57 vs 49
- High season: Sep - Dec
## Communications

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Views</td>
<td>531,114</td>
<td>458,128</td>
<td>-13.7%</td>
</tr>
<tr>
<td>Followers</td>
<td>6,252</td>
<td>9,328</td>
<td>+49.2%</td>
</tr>
<tr>
<td>Followers</td>
<td>10,442</td>
<td>11,634</td>
<td>+11.4%</td>
</tr>
<tr>
<td>Likes</td>
<td>10,550</td>
<td>11,656</td>
<td>+10.5%</td>
</tr>
<tr>
<td>Followers</td>
<td>6,252</td>
<td>20,600</td>
<td>+229.5%</td>
</tr>
</tbody>
</table>
(1) Projected revenue for 2018 of >$1M; ~ flat YoY

<table>
<thead>
<tr>
<th>AmCham Revenues</th>
<th>2018 Estimates</th>
<th>2017 Actual</th>
<th>2016 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Business activities</td>
<td>478,122</td>
<td>451,050</td>
<td>262,012</td>
</tr>
<tr>
<td>2 VTFA</td>
<td>45,682</td>
<td>128,962</td>
<td>325,610</td>
</tr>
<tr>
<td>3 CSR</td>
<td>184,773</td>
<td>168,116</td>
<td>154,052</td>
</tr>
<tr>
<td>4 Membership Dues and Misc</td>
<td>377,938</td>
<td>362,851</td>
<td>328,415</td>
</tr>
<tr>
<td>5 Total</td>
<td>1,086,515</td>
<td>1,110,979</td>
<td>1,070,089</td>
</tr>
<tr>
<td>6 Total without VTFA and CSR</td>
<td>856,060</td>
<td>813,901</td>
<td>590,427</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>1,086,515</td>
<td>1,110,979</td>
<td>1,070,089</td>
</tr>
</tbody>
</table>

Larger proportion of Revenue coming from Chapter activities vs. Grants

(2) Expenses following Program activity

(3) Surplus forecast at $63k / 6%
A. AmCham Vietnam’s License is issued by the Ho Chi Minh City People’s Committee. Therefore, from a license standpoint, AmCham HCMC holds the license for the Chamber. AmCham Hanoi has a branch license issued by the Hanoi People’s Committee based on the HCMC license.

B. AmCham Vietnam has a Charter, most recently amended September 2006, which notes: “The Chamber shall be constituted as a national organization with local Chapters in Hanoi, Ho Chi Minh City, and such other cities in Vietnam with a sufficient American business presence. This Charter is the basic organizational document for the Chamber. Each Chapter of the Chamber may adopt its own By-Laws in accordance with this Charter. The Chamber shall have a Board of Governors, the Chairman of which shall be the Chamber’s legal representative. The Board of Governors of the Chamber shall be comprised of members of the Board of Governors of each Chapter, including the Chairman, the two Vice-Chairmen, Treasurer and Secretary of each Chapter. The Chairman, Treasurer and Secretary of the Chamber’s Board of Governors shall be elected by the majority vote of the members of the Chamber’s Board of Governors.”

C. HCMC has bylaws and Hanoi has some written procedures for their respective Chapter operations. (ex. This is why in HCMC we have term limits for the HCMC Board and Hanoi does not, etc.)
1 - In recognition of both the explicit and implicit language in the Charter and with the intent of improving the operations of the Chamber, the following assets and or functions are to be understood as the Chamber’s and not merely a single Chapter’s of the Chamber:

• the License(s)/chop as a business association in Vietnam and corresponding memberships on behalf of the Chamber (ie US Chamber, VBF)

• Amcham Vietnam branding to include the website, domain, email names

• Governance oversight including legal compliance, ensuring conflict of interest avoidance, financial audits, etc.

• Advocacy on behalf of the Chamber on a National, Regional, and International level

Be it resolved that the National Board will institute actions and reviews to ensure that the above referenced assets and functions are operated effectively on behalf of the membership and in alignment with the Chamber’s Charter.
2 - To ensure that the Chamber’s governance operations have been and will be fully compliant with applicable laws, its organizational documents, and on behalf of its members, be it resolved that the National Board will select and authorize an independent compliance audit to review the Chambers compliance from 2014-2018 (or such other reasonable time as recommended by the selected audit firm).

Whereas, the National Board will request the full cooperation of each Chapter to include the collection of data and equally sharing in the cost.

Whereas, the National Board will appoint a committee of equal chapter representation to define the scope, choose the audit firm, and present the findings and recommendations to both Chapter Boards and the general membership at a general membership meeting.

Whereas, the National Board committee to oversee the above noted compliance review should have each member confirm that he/she does not have a known conflict of interest with the said investigation.

Although all five (5) of HCMC’s representatives voted in favor of the two (2) resolutions, unfortunately the motions failed due to Hanoi’s five (5) members voting against these motions.