

## ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE IN 2022

In 2022, the first year of implementing the Resolution of the General Meeting of Shareholders for the term 2022-2026, reinforcing the Board of Directors and Chairman of the Board of Directors of the new term. However, the BOD still carried out activities effectively and appropriately in accordance with the Company's Charter, the Regulations on Corporate Governance, and the BOD Regulations. With the motto of result-driven and flexible in applying the best practices, the entire BOD and all relevant Committees carried out duties through the following activities in 2021:

### ACTIVITIES OF THE COMMITTEES

#### The Strategy Committee

The main contents and topics of the agenda focus on reviewing and approving the direction and strategy for the period 2022-2026. Besides the content of success factors for the future, the topic of sustainable development, corporate social responsibility to ensure the balance of interests of stakeholders is considered to be integrated in the strategy.

#### The Nomination Committee

The Nomination Committee re-evaluated the independence of the independent BOD members, implemented the succession plan for the BOD, sought, screened, evaluated and proposed candidates for the independent member positions in the new term. Regarding the BOM, the Nomination Committee also reviewed, evaluated and approved nominations for the CEO and other BOM members' positions for the next 5-year period of 2022-2026. The Nomination Committee advised the Board of Directors to issue a resolution on the Regulation on human resource development and succession plan for key positions (subject to the supervision of the Board of Directors) to create key staff resources for the company.

#### The Remuneration Committee

The Remuneration Committee reviewed and adjusted the BOM's remuneration packages and operating budget for the new term, and proposed a remuneration scheme of the CEO, the BOM based on the performance results to ensure competitiveness in recruiting, attracting and retaining talents. The Remuneration Committee advised the Board of Directors to approve the bonus in 2022 for the BOM.

#### The Audit Committee

The Audit Committee, with its quarterly planning and work assignment, fully, timely and effectively reviewed the Company's financial reports and situations, improved the internal control system, upgraded the risk management system and improved operations of the Internal Audit. The apparatus and methodology of Internal Audit were supplemented and modified with a view to meeting the needs of the whole corporation. In addition, the Committee carried out the assessment and selection of the Company's independent auditor for 2023 to propose to the AGM.



## PERFORMANCE ASSESSMENT

The assessment of the BOD's performance was conducted in the last BOD meeting of the year (March 31, 2023) with the presence of all BOD members and the support of the Secretariat in charge of Corporate Governance.

### Assessment Criteria:

8 behavioral and efficiency indicators in accordance with the Regulations on Corporate Governance. The assessment form in 2022 continued to use standardized questionnaires about 04 aspects of practices:



Self-leadership  
competence and  
operational results



A combination of knowledge,  
experience and diversity  
among BOD members



Dynamism



Operating process

## ASSESSMENT RESULTS

In 2022, the BOD operated in accordance with the laws and the Company's Charter and overcome hurdles to converge the company's performance to the plan set out by the AGM. The contents under the BOD's responsibilities and authority on corporate governance, risk management, compliance, audit, strategic supervision, human resources and remuneration were executed professionally.

Improvement is noted from changes of the BOD members in charge of the Committees. Suggestions for performance improvement were all recorded and will be implemented in 2023. In terms of individual assessment, most of the BOD members performed well, having proactively and positively fulfilled their duties.



## KHOẺ ĐỂ KHÁNG SÁNG TỬ DUY

Với DHA, 17 vitamin và khoáng chất, sữa dinh dưỡng Vinamilk ADM giúp trẻ phát triển trí não, chiều cao và tăng sức đề kháng.



## ASSESSMENT OF THE CEO AND THE BOARD OF MANAGEMENT'S PERFORMANCE

Pursuant to the Company's Charter and Corporate Governance Regulations, the Board of Directors supervised the activities of the General Director and members of the Board of Management in production, business and implementation of the AGM and the BoD's resolutions in 2022 as follows:

### ASSESSMENT METHOD

The BoD, through committees with specific tasks mentioned in the Internal Regulations on Corporate Governance, supervises the BoM in organizing and implementing the BoD resolutions. The heads of the committees will present the contents that the BoM must prepare to present/discuss/question at the latest BoD meeting. At the meetings, the BoD reviewed the implementation of the resolutions, quarterly and accumulated production and business situations, then discussed and approved the resolutions as a basis for implementation by the CEO and the BoM. Every month, the CEO and the BoM will send activity reports and make explanations for the contents requested by the BoD. In addition, the BoD members, according to the assignment of tasks for each committee, regularly discuss with the BoM members about the issues of interest to supervision.

### THE BOD'S ASSESSMENT OF THE CEO AND EXECUTIVE DIRECTORS

Following the Corporate Governance Regulations, the BoD continued to evaluate the CEO and the Executive Directors based on the following criteria:

- ✦ **Accomplishment of business performance**
- ✦ **General duties of senior managers**
- ✦ **Competencies of senior managers**

**Ông Thọ**  
VINAMILK  
CAO CẤP  
SỮA ĐẶC CỐ ĐƯỜNG  
Bổ sung dầu thực vật  
TỪ 1976  
CÙNG NĂM TƯƠNG  
Khối lượng tịnh 380 g

**Vị ngon cùng năm tháng**

Vị thơm ngon, đậm đà của sữa đặc Ông Thọ là bí quyết mang đến các món ăn ngon tinh tế, hấp dẫn cho gia đình.

## Accomplishment of business goals

This criterion is evaluated through the results of the implementation of

- (I) The overall goals of the Company and
- (II) The quality objectives of the division or department that each Executive Director is in charge of according to the balanced scorecard model (BSC) with 04 goals of finance, customer, process and learning & development.

The weight of each target will vary between positions, depending on the role of each individual in the value chain. The evaluation is combined with a summary report and self-assessment of each BoM member for the year. The outstanding concern of 2022 is financial position and efforts to overcome impacts of the Covid-19 pandemic.

## General duties of senior managers

The assessment of general duties includes two stages: individual self-assessment and direct evaluation of line managers. General duties criteria include:

- \* “Caution” as a duty
- \* “Integrity and avoidance of conflicts of interest” as a duty
- \* “Confidentiality” as a duty
- \* “Care and Loyalty” as a duty

## Competencies of senior managers

The assessment of competencies is carried out based on a set of 12 leadership competencies developed specifically for Vinamilk.

## ASSESSMENT RESULTS

With the results achieved in 2022, a year heavily affected by the Covid-19 pandemic and political turmoil in the world, the BoD discussed and reached the conclusive evaluation that: The CEO and the Board of Management made great efforts and performed assigned tasks in 2022 with remarkable and encouraging results, strictly complying with current legal regulations and the Company’s operating regulations. The Board of Management did very well to manage production and business activities, ensuring employees’ job security, health and safety, and doing business with high responsibility to stakeholders.



## AUDIT COMMITTEE REPORT 2022

### I ORGANIZATIONAL STRUCTURE AND OPERATION OF THE AUDIT COMMITTEE IN 2022

#### 1 Organizational structure of the Audit Committee:

The Audit Committee consists of four members as follows:

No	Member	Position	Date of joining/ resigning from the Audit Committee	Qualification
1	Mr. Do Le Hung	Head of the Audit Committee	Joined in April 2017	Master of Public Finance
2	Mr. Michael Chye Hyn Fah	Member	Joined in April 2017	Master of Business and Science
3	Mr. Alain Xavier Cany	Member	Joined in June 2020	Baccalaureate, Academie de Paris
4	Mr. Hoang Ngoc Thach	Member	Joined in April 2021	Master of Business Administration

#### 2 Audit Committee Regulations

The Audit Committee operates in accordance with the Audit Committee Regulations issued by the BOD in accordance with the Company's Charter and the provisions of current law (Enterprise Law 2020, Securities Law 2019, Decree 155 guiding the Securities Law, Circular 116 guiding the Enterprise Law 2020 and Decree 155).

#### 3 Audit Committee meetings and attendance of members

No	Member	Meetings attended	Attendance rate	Reasons for absence
1	Mr. Do Le Hung	4/4	100%	N/A
2	Mr. Michael Chye Hyn Fah	4/4	100%	N/A
3	Mr. Alain Xavier Cany	4/4	100%	N/A
4	Mr. Hoang Ngoc Thach	4/4	100%	N/A

#### 4 Audit Committee's remuneration and operating costs in 2022

Details of the Audit Committee members' remuneration in 2022 are shown in the BOD's report. In addition to this remuneration, the Audit Committee members do not receive any other benefits or remuneration.

The operating costs of the Audit Committee in 2022 are in compliance with Vinamilk's internal regulations.

#### 5 Audit Committee's supervision on corporate governance

The Audit Committee supervises the BOD's activities through meetings, discussions and mechanisms in which the Board's resolutions are issued, and at the same time supervises the BoM's activities through the BOM implementation of the BOD's resolutions as well as the decentralization mechanism between the BOD and the CEO.

The Audit Committee's supervisory activities are implemented through a variety of channels, including

reporting to and communicating with the Finance Executive Director, Chief Accountant, Internal Audit Director, Director of Internal Control and Risk Management, Head of the Legal Department as well as the Independent Auditor.

During performing its tasks, the Audit Committee has coordinated well with the BOD's members, the BoM's members and related executives and always received cooperation from the BOD.

## II SUPERVISION RESULTS OF THE AUDIT COMMITTEE

The Audit Committee's supervision results are reported as follows:

### 1 The BOD's implementation of resolutions

Significant issues are freely discussed and thoroughly evaluated by the BOD before issuing a resolution. The BOM closely follows and strictly implements the resolutions issued by the BOD.

The Company Secretariat performs the task of monitoring and reporting on the implementation of the BOD's resolutions.

### 2 Financial statements

The Audit Committee has reviewed the quarterly and annual financial statements of 2022 based on the independent auditor's audit reports. The financial statements in 2022 were prepared and presented in accordance with VAS and current regulations, reflecting a true and fair view of Vinamilk's financial position and performance.

In 2022, accounting policies and principles for determining accounting estimates were

applied in consistency with the prior year. The application of accounting policies and principles is considered to be appropriate for the Company's operation characteristics in the context of the year's production and business conditions.

No material misstatement, fraud or potential fraud risk was detected in the financial statements.

The Audit Committee questioned the Independent Auditor and the BOM on a regular basis in order to clarify important issues that the Audit Committee was concerned about. The BOM and the Independent Auditor responded satisfactorily to the Audit Committee's questions and requests during the review of the financial statements.

### 3 Risk management and internal control system

In 2022, the Company continued to maintain a reliable, effective internal control and risk management framework.

Quality control systems such as food safety, energy and environment, occupational health and safety, laboratory capacity, corporate social responsibility and farming practices have been implemented in accordance with requirements of applicable standards, to which the certification is duly maintained.

The system of internal processes and regulations has been strictly managed and comprehensively updated, actively supporting the control of activities throughout the Company. Many processes were successfully computerized and digitized such as



E-Office, E-Contract, and Online Bidding System.

The control system for conflict of interest has been effectively established and operated, ensuring tight control of transactions of related parties and stakeholders. The Independent Auditor's Audit Report and the Internal Compliance Report did not detect conflicts of interest in related party transactions.

Legal issues and legal risks have been effectively managed, helping to protect the Company's interests. The Legal Department always ensures that all legal risks are appropriately managed.

The Company has completed the first phase of the project to upgrade the risk management system, contributing to improving control and minimizing risks that may negatively affect the achievement of the Company's business plan.

The risk management report is updated quarterly, allowing the Audit Committee/BOD to quickly detect changes in existing and emerging key risks and respond appropriately. We identified the key risks and challenges associated with fluctuations in

raw material costs and consumer purchasing power in the context of wars, epidemics, declining demand, and fierce competition in domestic and international markets, all of which had a negative impact on business results in 2022.

**4 Internal audit function**

The Internal Audit function is operating effectively, contributing significantly to the improvement of the internal control system and risk management. The Internal Audit personnel has been consolidated with sufficient manpower to perform assigned tasks in 2022.

Internal audit has an appropriate authority in the Company, as well as methodology that is comparable to international best practices and standards, while remaining compliant with the law and guidelines on internal audit.

The internal audit plan for 2022 approved by the Audit Committee and the CEO has been completed within the expected timeline and resources.

Internal audit results show that process compliance in the audited units has improved.

Most of the detected issues and related risks were assessed as low or insignificant, which have been recognized remedied by the relevant units.

**5 Independent audit services**

KPMG Limited has successfully completed its tasks and fully fulfilled its obligations under the audit contract signed with Vinamilk, and met the expectations of the Audit Committee and the BOD.

The Audit Committee and the BOM conducted an assessment on independent audit quality and KPMG has well met all of the key criteria including: ensuring reliability, transparency and quality of the audited financial statements; adhering to the agreed audit timeline; complying with professional regulations; and ensuring independence and objectivity when giving audit opinions, as well as other criteria in terms of audit capacity and work coordination between KPMG and Vinamilk.

**Mr. Do Le Hung**  
Head of the Audit Committee




## Key events in the financial year 2023

January 30, 2023	Announcement of financial statements for Q4/2022
February 28, 2023	Announcement of financial statements for 2022
April 25, 2023	AGM 2023
April 28, 2023	Announcement of financial statements for Q1/2023
July 07, 2023	Announcement of financial statements for Q2/2023
October 30, 2023	Announcement of financial statements for Q3/2023

## CONTACT INFORMATION FOR INVESTOR RELATIONS

Investor Relations – Finance Department  
Vietnam Dairy Products Joint Stock Company  
10 Tan Trao Street, Tan Phu Ward, District 7,  
Ho Chi Minh City

 **TEL** (+84 – 28) 541 55555  
Ext: 108247

 **EMAIL** dqtrung@vinamilk.com.vn

## INVESTOR RELATIONS' WEBPAGE



# NẠP NĂNG LƯỢNG XANH

## GIÚP GIỮ DÁNG KHỎE DA

Kết hợp từ 9 loại hạt thượng hạng  
với hơn 94% hàm lượng sữa hạt,  
bổ sung Canxi, vitamin A, E, B3,  
D3 và Omega-3.

