

CARE TO CHANGE



CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE REPORT

The Vinamilk BOD is pleased to share highlights of corporate governance in 2023 and our plans for 2024 with our esteemed shareholders, customers, suppliers, business partners, and other stakeholders as follows:

Vietnam Listed Company Awards (“VLCA” 2023)



Awards from the Vietnam Institute of Directors (“VIOD”)



These are the achievements that the BOD was recognized for in 2023. We take pride in these accomplishments and recognize our responsibility to continue operating as effectively as possible, seeking continuous improvement and changes, and adhering to the best practices outlined in the ASEAN Corporate Governance Scorecard.

In 2024, the Strategic Committee of the BOD will be in charge of the NetZero project in particular and Vinamilk’s ESG strategy in general.

Vinamilk continues to utilize corporate governance documents as presented in the 2022 corporate governance report. Please refer to the detailed report attached at <https://www.vinamilk.com.vn/en/annual-reports/> or scan the QR code.



A. THE RESPONSIBILITY OF THE BOARD OF DIRECTORS

PRINCIPLE 1: Establishing clear roles, responsibilities, and commitments of the BOD



At Vinamilk, the BOD always acts on an informed basis and in the best long-term interests of the company with good faith, care, and diligence, for the benefit of all shareholders, while having regard to relevant stakeholders.

1.1.1 The roles and responsibilities of the BOD at Vinamilk are delineated in the Company's Charter and Internal Regulations on Corporate Governance, which have been issued and published on the Company's website at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



The key information published on the Company's website includes:

- Organizational Chart;
- Company's Charter;
- Internal Regulations on Corporate Governance;
- Regulations on Operation of the BOD
- Code of Conduct

1.1.2 The BOD reviews and approves the Company's strategic direction, risk management policies, annual business plans, major investments valued at VND 300 billion or above, and all external investment projects resulting in the formation of joint ventures, associations, or subsidiaries of Vinamilk (including M&A activities). The BOD also oversees these investment activities by issuing regulations on post-investment review and divesting from these external investments if required.

1.1.3 The BOD has effectively performed its oversight role by monitoring the effectiveness of the Company's corporate governance and compliance with current laws. Additionally, the BOD is particularly concerned about the Company's sustainable development policies, environmental protection activities, and social responsibilities. All of these matters are reported to the BOD by the BOM. Indeed, the Company has been preparing sustainable development reports since 2012 and has been officially audited by an independent external consulting firm since 2016 to enhance the accuracy, independence, objectivity, and reliability of the reports for readers. Please refer to the Company's latest sustainable development reports at: <https://www.vinamilk.com.vn/en/sustainable-development/> or scan the QR code:



1.1.4 All BOD members have actively participated in overseeing the Company's activities, engaging in discussions at quarterly regular meetings or through written opinions. The BOD is encouraged to propose recommendations whenever deemed necessary for the Company, with no limitations on space, time, or discussion content. Meeting documents must be sent to the BOD members at least 7 days before the meeting date.

1.1.5 BOD members are required to attend all of the Company's BOD meetings throughout the year. If a member is unable to attend a meeting, they must notify the BOD, stating the reasons for their absence. Meeting minutes are distributed to all BOD members to review the meeting content. In 2023, the BOD held four formal meetings as follows:

In 2023, the BOD issued Resolution No. 15/NQ-CTS.HĐQT/2023 dated August 14, 2023, approving adjustments to the Company's Organizational and Management Structure. Consequently, the Department of Foreign Subsidiary Management, formerly under the International Business Division, was transformed into a reporting functional department under the CEO and renamed as the "Department for Subsidiaries Management" to better align with the Company's current management requirements. The adjusted Organizational and Management Structure has been publicly disclosed on the Company's website.

No.	BOD member	Position	Date of joining/leaving the BOD term 2022-2026	Number of meetings attended	Attendance rate	Notes
1	Mr. Nguyen Hanh Phuc	Head	Joined on April 26, 2022	4/4	100%	
2	Ms. Mai Kieu Lien	Member	April 26, 2022	4/4	100%	
3	Mr. Alain Xavier Cany	Member	April 26, 2022	4/4	100%	
4	Ms. Dang Thi Thu Ha	Member	April 26, 2022	4/4	100%	
5	Mr. Do Le Hung	Member	April 26, 2022	4/4	100%	
6	Mr. Michael Chye Hin Fah	Member	April 26, 2022	3/4	75%	(*)
7	Mr. Le Thanh Liem	Member	April 26, 2022	4/4	100%	
8	Mr. Lee Meng Tat	Member	April 26, 2022	4/4	100%	
9	Mr. Hoang Ngoc Thach	Member	April 26, 2022	4/4	100%	
10	Ms. Tieu Yen Trinh	Member	April 26, 2022	4/4	100%	

(*): Mr. Michael Chye Hin Fah was absent with an excuse and delegated Mr. Lee Meng Tat to attend on his behalf.

The BOD is always prepared to convene extraordinary meetings to address emerging issues upon request from the BOM and the Company. In addition to the four regular meetings, in 2023, the BOD discussed, reviewed, and voted in writing on 10 proposals from the BOM. Consequently, the BOD held a total of 14 meetings to address crucial Company matters in 2023.

1.4 Succession planning program:

The Company has been implementing the succession planning program for many years, with assistance from a US-based world-class human resources consulting organization, to ensure preparedness for future development. On January 13, 2023, the BOD issued Resolution No. 02/NQ-CTS.HDQT/2023, outlining the development of human resources and the succession planning program for key positions within the Company. As per the resolution, the plan includes a minimum of 2 potential succession candidates for each key position.



The BOD is dedicated to overseeing and implementing the Company's policies, which involve identifying, training, and developing succession candidates for directors and other key management positions in a serious, objective, and transparent manner.

The BOM has selected a list of potential succession candidates for the nine Executive Director positions, which has been submitted to the Nomination Committee for review. The Committee's review results will be reported to the BOD for decision-making throughout 2024.

PRINCIPLE 2: Establishing a competent and professional BOD

Vinamilk has maintained a professional, objective, and well-functioning BOD given its role in ensuring the Company's profitability and sustainability for the best interest of the Company and its all shareholders.

The BOD for the 2022-2026 term was elected by the AGM on April 26, 2022. It consists of 10 members as listed below. There were no changes to the BOD members in 2022 and 2023. The current BOD comprises the following members:

No.	BOD member	Position
1	Mr. Nguyen Hanh Phuc	Chairman, Independent member <i>First appointment: April 2022</i>
2	Ms. Mai Kieu Lien	Executive member <i>First appointment: November 2003</i>
3	Mr. Alain Xavier Cany	Non-executive member <i>First appointment: March 2018</i>
4	Ms. Dang Thi Thu Ha	Non-executive member <i>First appointment: April 2017</i>
5	Mr. Do Le Hung	Thành viên độc lập <i>First appointment: April 2017</i>
6	Mr. Michael Chye Hin Fah	Non-executive member <i>First appointment: April 2017</i>
7	Mr. Le Thanh Liem	Executive member <i>First appointment: April 2017</i>
8	Mr. Lee Meng Tat	Non-executive member <i>First appointment: September 2016</i>
9	Mr. Hoang Ngoc Thach	Non-executive member <i>First appointment: April 2021</i>
10	Ms. Tieu Yen Trinh	Independent member <i>First appointment: April 2021</i>

According to the Charter, Vinamilk's BOD shall have 11 members. However, currently, Vinamilk has only 10 BOD members, indicating the need for an additional member. Vinamilk will continue to seek candidates who meet criteria aligned with the Company's future development strategy.

PRINCIPLE 2.1: The company's BOD collectively possesses a diversified and broad range of views, expertise, skills, and competencies, sufficient to provide effective stewardship and oversight of the company. The introduction of each BOD member can be found from page 23 to page 28 in this report.

2.1.1 According to the Company's assessment, Vinamilk's BOD meets all conditions regarding competency and professionalism, including diversity in knowledge, management experience, and corporate governance experience, aligned with the Company's requirements.

2.1.2 The list of candidates for additional or new BOD members undergoes careful review by the Nomination Committee, following the established candidate selection process. Once reviewed, it is presented to the BOD for approval and inclusion in the company's AGM's election program, in line with the procedures published and currently applied by the company.



2.1.3 Vinamilk's current BOD consists of 03 female members, accounting for 30% of the total incumbent BOD members. This reflects gender diversity within the BOD.

PRINCIPLE 2.2: Vinamilk's BOD currently comprises 2 executive members and 8 non-executive members. Non-executive members possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.

PRINCIPLE 2.3: The BOD issued Resolution No. 09/NQ-CTS.HDQT/2022 on July 22, 2022, concerning the appointment of the Company Secretariat, which consists of three individuals. The Company Secretariat is accountable directly to the BOD on all matters to do with the proper functioning of the BOD. One of its roles is to act as a bridge between the BOM, shareholders, investors, and the BOD.

PRINCIPLE 2.4: All BOD members participate in domestic or regional Corporate Governance training courses. Please refer to Section D of this report for further details.

The Company Secretariat consists of:

No.	Full name	Position at Vinamilk
1	Mr. Tran Chi Son	Senior Finance Manager
2	Ms. Le Quang Thanh Truc	Director of Subsidiaries Management
3	Mr. Dong Quang Trung	Investor Relations Manager

Mr. Tran Chi Son was also appointed by the BOD to be in charge of corporate governance as of August 1, 2022.

Introduction of Company Secretariat can be found from page 32 to page 33. The rights and obligations of the Company Secretariat are carried out in accordance with Clause 5, Article 156 of the applicable Law on Enterprises. The rights and obligations of the person in charge of corporate governance are stipulated in Clause 3, Article 281 of Decree 155/2020/ND-CP dated December 31, 2020.

At Vinamilk, the Company Secretariat not only fulfills duties mandated by current law but also incorporates functions and duties outlined in advanced governance practices, such as those defined in the Corporate Secretary Handbook issued by the International Finance Corporation (IFC) in 2016 at <https://www.ifc.org/content/dam/ifc/doc/mgmt/cg-cosec-june-2016.pdf> and the ASEAN Corporate Governance Scorecard at https://www.sec.gov.ph/wp-content/uploads/2023/12/2023_ASEAN-Corporate-Governance-Scorecard-Revised-2023-2.pdf. This approach aims to assist the BOD in establishing an optimal corporate governance framework that goes beyond mere compliance.

PRINCIPLE 3: Ensuring effective BOD leadership and independence

PRINCIPLE 3.1: Vinamilk’s BOD consists of 03 independent members, ensuring compliance with the current requirement for independent members. The independent members include Mr. Nguyen Hanh Phuc, Ms. Tieu Yen Trinh, and Mr. Do Le Hung. Vinamilk’s independent BOD members have the capacity to promote independent judgment by all BOD members and the integrity of the governance system at Vinamilk.

PRINCIPLE 3.2: Mr. Hung has served as an independent BOD member at Vinamilk since April 2017. Ms. Tieu Yen Trinh was appointed as an independent member by the AGM on April 26, 2021, and Mr. Nguyen Hanh Phuc was appointed as an independent member on April 26, 2022. Each of the three independent BOD members chairs a specific committee under the BOD, as presented in Principle 4 below.

PRINCIPLE 3.3: The Chairman of the BOD, Mr. Nguyen Hanh Phuc, is an independent BOD member.

PRINCIPLE 4: Establishing BOD committees

At Vinamilk, the BOD has established 04 specialized BOD committees, specifically:



These committees are established to assist the BOD in fulfilling specific responsibilities and effectively carrying out the oversight duties. Committees must adhere to the budgetary limits established and approved by the BOD for their operations, investments, and procurement of goods and services. They have delegated the authority to review and approve transactions within these specified limits as a means to optimize their operational

efficiency. In addition to matters that expressly require BOD approval, the BOD is in charge of reviewing and approving annual budgets, financial plans, financial reports, business strategies, and major transactions such as mergers and acquisitions, divestments, proposed sponsorships, and investments. The BOD is also responsible for reviewing and approving transactions that surpass specific thresholds.

To address and manage conflicts of interest that may arise concerning the interests of BOD members and the Company, BOD members must not vote on any matter in which they have a vested interest or conflict.



Strategy Committee

The BOD established the Strategy Committee through Resolutions No. 05/NQ-CTS.HĐQT/2021 dated April 26, 2021, and No. 05/NQ-CTS.HĐQT/2022 dated April 26, 2022. The Strategy Committee consists of 05 members as follows:

No.	Position	BOD Member
1	Head of Committee, Executive member	Ms. Mai Kieu Lien
2	Non-executive member	Mr. Lee Meng Tat
3	Executive member	Mr. Le Thanh Liem
4	Non-executive member	Mr. Alain Xavier Cany
5	Non-executive Member	Ms. Dang Thi Thu Ha

The Strategy Committee's primary responsibilities include drafting and presenting the company's business strategy to the BOD. This involves:

- (1) Approving the Company's vision, mission, and long-term strategic objectives;**
- (2) Supervising the development, implementation, and execution of the strategy;**
- (3) Guiding sustainable and responsible development practices;**
- (4) Supervising integrated reporting efforts;**
- (5) Managing stakeholder relations.**

Audit Committee

The BOD established the Audit Committee and defined the members' capabilities, authority, and responsibilities in the Regulation on Operation of Audit Committee. The Audit Committee consists of four BOD members, with no changes from the preceding reporting period. Specifically:

No.	Position	BOD Member
1	Head of Committee, Independent member	Mr. Do Le Hung
2	Non-executive member	Mr. Michael Chye Hin Fah
3	Non-executive member	Mr. Hoang Ngoc Thach
4	Non-executive member	Mr. Alain Xavier Cany

The Audit Committee is primarily responsible for reviewing critical financial reporting issues and judgments to ensure the integrity of the financial statements, internal control system and internal audit. This includes compliance with relevant laws and regulations governing the Company's business activities, related-party transactions, interested-

person transactions, and conflict of interest transactions. Additionally, the committee reviews the scope and results of the independent audit and participates in the selection of an independent audit firm for the Company and its subsidiaries.

The Audit Committee oversees the risk management and the effectiveness

of the internal control system for the entire Company and reports to the BOD quarterly.

Please refer to the Audit Committee's report on its duties and responsibilities for the financial year ended December 31, 2023, on page 40 of this report.

Nomination Committee

The BOD established the Nomination Committee chaired by Mr. Nguyen Hanh Phuc, an independent BOD member, with Ms. Mai Kieu Lien, Mr. Lee Meng Tat, and Ms. Dang Thi Thu Ha as committee members.

The Nomination Committee is primarily responsible for:

- Identifying candidates qualified to become BOD members and key management personnel.

- Developing procedures and guidelines for such identification to maintain transparency.
- Performing its tasks in accordance with the laws, the regulations on operation, and any amendments made thereunder, as well as the orders of competent authorities within the scope of authority, tasks, and responsibilities of the Nomination Committee.

- Additionally, it reviews the nomination for re-appointment of BOD members and assists the BOD in evaluating the independence of independent BOD members at least once a year.

The Nomination Committee is responsible for monitoring the implementation of the succession planning program under Principle 1.4 on Corporate Governance as previously presented.

No.	Position	Since April 26, 2022
1	Head of Committee, Independent member	Mr. Nguyen Hanh Phuc
2	Non-executive member	Ms. Mai Kieu Lien
3	Independent member	Mr. Lee Meng Tat
4	Non-executive member	Ms. Dang Thi Thu Ha

Remuneration Committee

The Remuneration Committee, established by the BOD, consists of four members and underwent changes in its composition during the year as per Resolution No. 05/NQ-CTS.HĐQT/2022 dated April 26, 2022:

No.	Position	Since April 26, 2022
1	Head of Committee, Independent member	Ms. Tieu Yen Trinh
2	Non-executive member	Mr. Michael Chye Hin Fah
3	Independent member	Mr. Nguyen Hanh Phuc
4	Non-executive member	Mr. Hoang Ngoc Thach

The Remuneration Committee is mainly responsible for:

- Developing policies and guidelines for determining salaries, bonuses, and remuneration for members of BOD and BOM, as well as reviewing, amending, adjusting, or withdrawing procedures and regulations on BOD remunerations for approval at the AGM.

- Reviewing and recommending to BOD the salaries, bonuses, and remuneration for members of BOD and BOM.
- Recommending to the BOD a framework and standards for salaries, bonuses, and remuneration for members of BOD and BOM.

- Recommending specific salaries, bonuses, and remuneration for each BOD member and Executive Director.

PRINCIPLE 5: Ensuring effective performance for BOD

At Vinamilk, the best measure of the BOD's effectiveness is through the BOD assessment process. Each BOD member undergoes evaluation at least once a year to appraise their performance as a governing body and the overall effectiveness of the BOD's operations to facilitate appropriate adjustments.

PRINCIPLE 5.1: Each year, the BOD conducts a self-assessment of each committee's performance. Subsequently, formal meetings are convened by the BOD to evaluate the collective performance of each committee and the BOD as a whole throughout the year. The assessment of individual member performance will be carefully considered and applied by the BOD at an appropriate time in the future.

PRINCIPLE 5.2: BOD member performance assessments are conducted through established

procedures with clearly defined and meticulously reviewed assessment criteria. This ensures an accurate, comprehensive, and objective assessment of the effectiveness and contributions of BOD members and BOD committees.

PRINCIPLE 5.3: The remuneration for the BOD in 2023, approved by the Company's AGM, was set at VND 25 billion for a total of 11 members. Remuneration for the BOD will be calculated and disbursed based on the actual number of members. Proposed remuneration for each

member will be subject to approval by the Remuneration Committee, in consideration of their role, duties, individual performance, and the Company's performance during the year, aiming to incentivize the BOD to lead the Company towards achieving short-term and long-term goals. Besides the remuneration detailed below, BOD and BOM members are enrolled in the Health & Accident Insurance Program for themselves and their immediate family members under the Company's general insurance policy.

The remuneration paid to each BOD member in 2023 is as follows:

No.	Full name	Remuneration (VND million)	Notes
1	Mr. Nguyen Hanh Phuc	2,809	BOD Chairman, Head of Nomination Committee
2	Ms. Mai Kieu Lien (*)	1,280	BOD member, Head of Strategy Committee, CEO
3	Mr. Alain Xavier Cany	2,268	BOD member
4	Mr. Michael Chye Hin Fah	2,000	BOD member
5	Ms. Dang Thi Thu Ha	2,281	BOD member
6	Mr. Do Le Hung	2,052	BOD member, Head of Audit Committee
7	Mr. Le Thanh Liem (*)	563	BOD member, Executive Director of Finance
8	Mr. Lee Meng Tat	1,820	BOD member
9	Ms. Tieu Yen Trinh	1,623	BOD member, Head of the Remuneration Committee
10	Mr. Hoang Ngoc Thach	2,517	BOD member
Total		19,213	

(*): Executive BOD member

Currently, the Company does not have a bonus policy for non-executive BOD members.

Regarding the BOM's remuneration, as Executive Directors make a pivotal team of the Company in a highly competitive human resource market, and given the sensitive nature of remuneration and income policies for each individual, to balance those various influential factors and stakeholders, the Company discloses the actual income ranges received by each individual in the fiscal year

2023 as shown below. Income tied to business performance includes bonuses. Bonus policies for the Executive Directors will be based on i) the overall business performance of the Company and ii) the achievement of key performance indicators (KPIs) of each individual, which are set annually. The Remuneration Committee will collaborate with the CEO to review and propose specific bonuses for

each individual for the BOD's annual decision-making process.

Regarding allowances: in accordance with the Company's general policy, which includes allowances such as transportation for work, fuel, phone charges, meal allowances, and health insurance for individuals and their families.

No.	Full name	Remuneration group	Salary	Income based on business performance	Allowance	Other benefits
1	Ms. Mai Kieu Lien	C	35%	63%	2%	0%
2	Mr. Trinh Quoc Dung (*)	B	55%	44%	1%	0%
3	Ms. Bui Thi Huong	B	57%	35%	7%	1%
4	Mr. Doan Quoc Khanh (*)	A	80%	0%	20%	0%
5	Mr. Nguyen Quoc Khanh	B	62%	33%	5%	0%
6	Mr. Le Thanh Liem	B	60%	32%	8%	0%
7	Mr. Le Hoang Minh	B	64%	30%	5%	1%
8	Mr. Nguyen Quang Tri	B	65%	30%	4%	1%

Remuneration ranges:

"A": Total remuneration ranging from VND 1 billion to VND 4 billion.

"B": Total remuneration ranging from VND 4 billion to VND 10 billion.

"C": Total remuneration ranging from VND 10 billion to VND 16 billion.

Notes ():*

- Mr. Trinh Quoc Dung ceased to hold the position as of August 01, 2023.
- Mr. Doan Quoc Khanh was appointed on September 01, 2023.

PRINCIPLE 6: Establishing and maintaining an ethical corporate culture



Vinamilk issued the Code of Conduct in January 2010, which applied to all members of the BOD, the BOM, and all employees of the Company. In the future, the Code of Conduct will continue to be amended and supplemented alongside the implementation of the Project to update Vinamilk's cultural principles, aiming to integrate, unify, and complement the Company's cultural principles. In this report, the Company presents the contents according to the current Code of Conduct.

PRINCIPLE 6.1: The Nomination Committee oversees the application of the Code of Conduct to establish a business culture with high standards throughout the Company. This Code of Conduct sets standards for professional and ethical behaviors, as well as articulates acceptable and unacceptable conduct and practices in internal and external dealings. The Code of Conduct has been properly disseminated to the BOD, the BOM, and employees (including Vinamilk's subsidiaries), as well as disclosed and made available to the public through

the Company's website at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



PRINCIPLE 6.2: The BOD ensures the proper and efficient implementation and monitoring of compliance with this Code of Conduct throughout the Company's operations. The application of this Code of Conduct is encouraged at all subsidiaries and associations of Vinamilk.

PRINCIPLE 6.3: The BOD is the focal point of and collectively bears accountability for the company's corporate governance, its long-term success, and the delivery of sustainable value to the company's stakeholders. The BOD sets the role model for the BOM and employees of the Company to follow.

B. CONTROL ENVIRONMENT

PRINCIPLE 7: Establishing a sound risk management and control environment



The BOD has in place an effective internal control system and sound risk management policies. The BOD has the ultimate responsibility for the Company’s risk management policies and oversees the functioning of the internal control system in the Company. The BOD has set up the Audit Committee, Internal Audit Department, and Internal Control and Risk Management Department to establish a robust control environment for the Company.

PRINCIPLE 7.1: The BOD ensures the integration of strategy, risk, and control and oversees the effectiveness of the Company’s internal control system. The BOM and BOD must consider all of the Company’s production and business activities in terms of risk concerns.

Please refer to the Risk Management Report on page 99 to 102 of this report.

PRINCIPLE 7.2: The BOD has established an internal audit function to provide objective assurance and independent consulting to add value and improve the Company’s operations through the Internal Audit Department.

- In particular, the Audit Committee monitors the Internal Audit function in terms of expertise, ensuring that Internal Audit has sufficient standing, authority, and resources to maintain its independence, objectivity, and professionalism.

- The Company has established the Internal Audit Department as an independent unit to support the BOD through the Audit Committee by evaluating and improving the effectiveness of risk management, internal control, and governance processes.

- In the fiscal year ended December 31, 2023, Internal Audit conducted the audit according to the internal audit plan approved by the Audit Committee. Please refer to the Audit Committee’s report for further details.

PRINCIPLE 7.3: The BOD has also established a compliance function, the Internal Control and Risk Management Department, as a second line of defense with the necessary standing and authority.

- The BOD acknowledges its responsibility to ensure the

effectiveness of the risk management and internal control system, aimed at safeguarding shareholder investments and company assets. To fulfill this responsibility, the Audit Committee, with each member overseeing different areas, is tasked with ensuring the adequacy and effectiveness of financial, operational, compliance, and information technology controls. This includes systematic risk management, which involves identifying structural, strategic, and risk owners and monitoring risk management outcomes.

- To ensure compliance with applicable laws and regulations, the BOD has also built effective internal control systems to monitor compliance with regulations related to the Company’s production and business activities.



PRINCIPLE 7.4: Understanding the importance of information technology in the Company’s business operations, the BOD has developed cybersecurity management policies as an integral component of the company-wide risk management system, and consistently monitored their effective operation over the years.

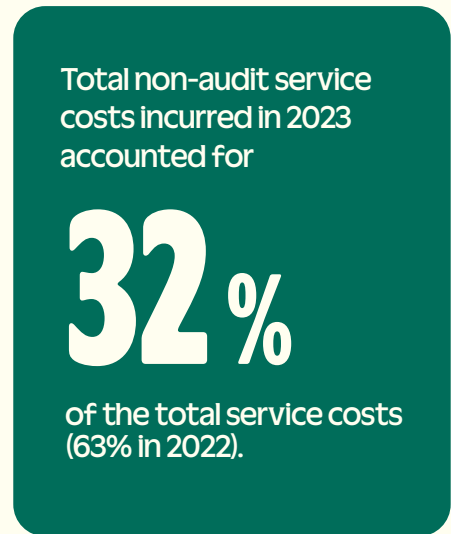
PRINCIPLE 7.5: The BOD has established the selection criteria for an independent auditor, evaluation of the quality of work of the independent auditor, and procedures for follow-up on the independent auditor’s recommendations

- When selecting the Company’s independent auditor, the Audit Committee carefully assesses their capacity, professional

qualifications, past achievements, and independence, ensuring they have no affiliation with or interest in the Company and refrain from providing any non-audit services. The bidding process for selecting an audit firm is conducted with high professionalism, openness, and transparency.

- For the fiscal year 2023, the AGM and BOD approved the selection of KPMG Vietnam Company Limited (KPMG) as the independent auditor. According to the assessment and report of the Audit Committee to the BOD, KPMG’s quality and progress in providing quarterly and annual financial report audit services to the Company during the year met the Company’s requirements satisfactorily.

- The Audit Committee meets with the independent auditor every quarter before publishing the quarterly financial statements. During these meetings, the Audit Committee reviews all content related to the financial statements and recommendations of the independent auditor (if any).
- Total non-audit service costs incurred in 2023 accounted for 32% of the total service costs (63% in 2022). Non-audit consulting services mainly provided regular tax consulting services, compliance support services for transfer pricing, and consulting services for IFRS-compliant financial reports.



C. Disclosure and transparency

PRINCIPLE 8: Strengthening company disclosure practices



The BOD ensures adequate communications with shareholders, investors, regulators, and the general public by pursuing a transparent and effective disclosure policy.

PRINCIPLE 8.1: The Company is committed to consistently complying with transparency and fairness when disclosing information to all shareholders and other stakeholders.

- The CEO is the person disclosing information about the Company, and the Company did not violate the law on information disclosure in 2023.
- All information disclosed externally is also disseminated internally to all BOD members, the department responsible for corporate governance, and other relevant functional departments to ensure effective oversight of disclosure.

PRINCIPLE 8.2: To promote effective cost-efficient access to relevant information, Vinamilk ensures easy and non-discriminatory access to disclosed information using diverse tools of communication. Additionally, the investor relations division of Vinamilk is consistently prepared to receive shareholders and investors, as detailed below.

- Vinamilk is committed to publishing information in both Vietnamese and English to ensure that shareholders and foreign investors can easily and promptly access updates.

- Vinamilk maintains various forms of information disclosure channels:

- Website: <https://www.vinamilk.com.vn/en/announcements/> or scan the QR code:



- HOSE's website: <https://www.hsx.vn/Modules/Listed/Web/SymbolView/128> or scan the QR code:



- Mass media

- Vinamilk's Investor Relations Department as follows:

- 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: <https://www.vinamilk.com.vn/en/ir-contact> or scan the QR code:

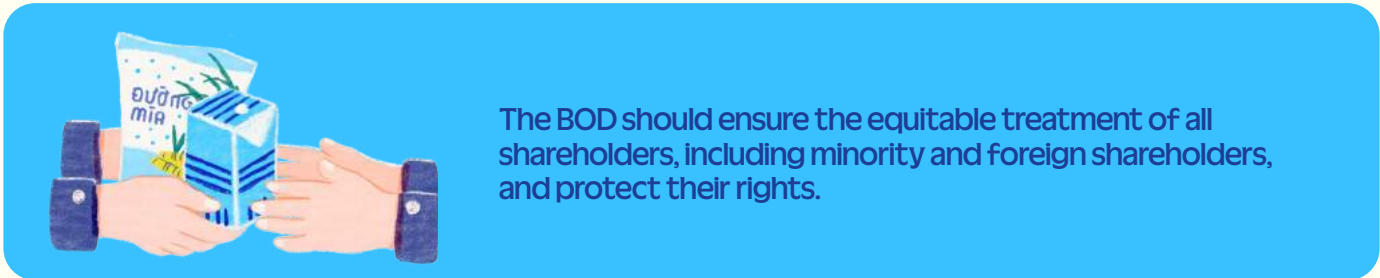


- Vinamilk proactively participates in investor meeting seminars held domestically and internationally. Additionally, the Company welcomes shareholders and investors to visit its facilities, including factories and dairy farms, to provide firsthand insights into its operations.
- Vinamilk issues press releases and conducts regular meetings between the CEO, BOM members, shareholders, and investors to provide updates on the Company's status and business results.

PRINCIPLE 8.3: The BOD is committed to ensuring the optimal disclosure of non-financial information, including environmental and social reporting. Please refer to Principle 1.1.3 of this report for further details.

D. Shareholder rights

PRINCIPLE 9: Establishing a framework for the effective exercise of shareholder rights



PRINCIPLE 9.1:

Shareholder rights:

- The Company recognizes and values the rights of owners of the Company and shareholders, including minority and foreign shareholders.
- The Company ensures fair and appropriate treatment for each shareholder by providing accurate, transparent, and timely information. The Company focuses on the completeness of information to enable informed decision-making by shareholders during meetings, including voting, expressing opinions on significant changes, and electing BOD members.
- Shareholders’ rights are comprehensively regulated by the Company’s Charter, safeguarded by the laws, and overseen by the BOD. Detailed information on shareholders’ rights, as outlined in the Company’s Charter, is accessible on the Company’s website at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



PRINCIPLE 9.2: The BOD holds an effective AGM every year.

- AGM are organized in strict accordance with the agenda outlined in the invitation to shareholders. The Company ensures that invitations are sent with sufficient and relevant information related to the meeting, which is also posted on the websites of HOSE and Vinamilk. This allows shareholders sufficient time to carefully study the information provided. At least 21 days before the AGM, the notice of the shareholders’ meeting along with the complete set of meeting documents are published on Vinamilk’s website, ensuring proper preparation by shareholders as required by relevant laws and regulations.
- Chairman of the BOD, Head of the BOD Committees (including Audit Committee, Remuneration Committee, Strategy Committee, and Nomination Committee), and executive BOD members are often present at the meetings and willing to answer shareholders’ questions. The Company’s independent auditor, KPMG, is also present to address the concerns regarding the conduct of the audit, and the drafting and content of the independent audit report. During the meeting, the Chairman of the BOD allows shareholders to ask questions, voice their opinions, and submit recommendations openly and fairly.
- In the 2023 AGM, the Company invited representatives of the Internal Audit Department, Internal Control and Risk Management Department to be members of the Vote Counting Committee, and invited a representative of shareholders or a representative of the independent audit unit to be the unbiased supervisor.
- The Chairman of the BOD and the BOM answered questions raised and provided information requested by shareholders. Minutes of the AGM were recorded in an accurate, complete, and timely manner, as required by applicable laws. These minutes, along with the resolutions of the AGM, were promptly disclosed to HOSE and SSC. Additionally, they were posted on Vinamilk’s website within 24 hours after the conclusion of the AGM.
- To facilitate remote shareholder participation, the Company organized the 2023 AGM in an online format, adhering to current legal regulations. All documents related to the AGM, including minutes and resolutions, from both 2023 and previous years, are maintained on Vinamilk’s website in both Vietnamese and English for shareholders’ easy access <https://www.vinamilk.com.vn/en/annual-general-meetings> or scan the QR code:



PRINCIPLE 9.3: Implement a fair and consistent dividend policy.

- Vinamilk's dividend policy each year is approved by the AGM based on the Company's business performance during the year.
- Dividend plan approved by the 2023 specifies that the cash dividend must be a minimum of 50% of the consolidated after-tax profit allocated to the Company's owners. Throughout the year, the BOD provided advanced dividends to shareholders in the following installments:
 - ❖ 1st installment: VND 1,500/share, paid on October 5, 2023.
 - ❖ 2nd installment: VND 500/share, paid on February 28, 2024.

❖ 3rd installment: VND 900/share, scheduled to be paid on April 26, 2024.

The total value of the above-mentioned advance dividend is VND 6,061 billion (equivalent to 68.3% of the consolidated after-tax profit allocated to the Company's owners). The remaining dividends for the year 2023 will be deliberated upon by the BOD and presented to the 2024 AGM scheduled for April 25, 2024.

- Dividend for fiscal year 2022: The dividend for the fiscal year 2022, as approved by the 2023 AGM, amounts to VND 3,850 per share. The total dividend payment made is VND 8,064 billion, equivalent to 94.7% of consolidated after-tax profits allocated to the Company's owners.

PRINCIPLE 9.4: Related-party transactions should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the Company and its shareholders.

- The company has implemented a policy for risk management and conflict of interest prevention. As per this policy, all levels of management are required to declare necessary information for transaction control, aiming to prevent conflicts of interest among internal persons and related persons.
- In the fiscal year ended December 31, 2023, business transactions between Vinamilk and internal persons and related persons can be found on page 168 of the attached financial statement.

Share transactions by internal persons

No.	Internal person	Position at Vinamilk	Shares owned at the beginning of the year		Shares owned at the end of the year	
			Shares	%	Shares	%
1	Mai Kieu Lien	BOD member, cum CEO	6,400,444	0.31%	6,400,444	0.31%
2	Trinh Quoc Dung	Executive Director (*)	241,950	0.01%	241,950	0.01%
3	Bui Thi Huong	Executive Director	134,176	0.01%	134,176	0.01%
4	Doan Quoc Khanh	Executive Director (**)	6	0.00%	6	0.00%
5	Le Thanh Liem	BOD member, cum Executive Director - Finance	493,381	0.02%	493,381	0.02%
6	Nguyen Quoc Khanh	Executive Director	29,755	0.00%	29,755	0.00%
7	Nguyen Quang Tri	Executive Director	7,651	0.00%	7,651	0.00%
8	Le Quang Thanh Truc	Company Secretary	222,037	0.01%	222,037	0.01%

(*): Mr. Trinh Quoc Dung retired from August 1, 2023.

(**): Mr. Doan Quoc Khanh has been appointed since September 1, 2023.

Share transactions by related persons

No.	Related person	Relationship with internal persons	Shares owned at the beginning of the year		Shares owned at the end of the year	
			Shares	%	Shares	%
1	The State Capital Investment Corporation	Dang Thi Thu Ha, Le Thanh Liem, Hoang Ngoc Thach	752,476,602	36.00	752,476,602	36.00
2	SCIC Investment One Member Company Limited (SIC)	Dang Thi Thu Ha, Le Thanh Liem, Hoang Ngoc Thach	1,050,000	0.05	300,000	0.02
3	F&N Dairy Investments Pte Ltd	Michael Chye Hin Fah và Lee Meng Tat	369,752,859	17.69	369,752,859	17.69
4	F&Nbev Manufacturing Pte. Ltd.	Michael Chye Hin Fah và Lee Meng Tat	56,432,376	2.70	56,432,376	2.70
5	Platinum Victory Pte. Ltd.	Alain Xavier Cany	221,856,553	10.62	221,856,553	10.62
6	Mai Quang Liem	Younger brother of Ms. Mai Kieu Lien	36,094	0.00	5,786	0.00
7	Le Thi Ngoc Thuy	Sister-in-law of Ms. Mai Kieu Lien	619,303	0.03	619,303	0.03

E. Stakeholder relations

PRINCIPLE 10: Building effective stakeholder engagement

The BOD is committed to considering and respecting the interests of all stakeholders and parties who are affected by the Company's operations.

Vinamilk has effectively implemented the Company's Code of Conduct in its stakeholder engagements. This Code of Conduct is available on the Company's website at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



Additionally, the Company has established policies to effectively manage related-party transactions. Throughout 2023, the Company did not identify any transactions that posed conflicts of interest. Anti-corruption and anti-bribery policies are also strictly enforced by the Company.

F. Corporate governance according to the ASEAN corporate governance scorecard

(Vinamilk follows the recommendations of the ASEAN Corporate Governance Scorecard)

Point A.9.1: Disclosure of related-party transaction policy

Vinamilk has long implemented a policy to control transactions with related parties and interested persons (hereinafter referred to as “RPT & IPT Policy”). This policy, initially proposed by the Internal Control & Risk Management Department and subsequently issued by the CEO, underwent its most recent revision on December 14, 2023, marking its fourth revision. A summary of the policy’s key contents is as follows:

PURPOSE

1. To ensure that RPT and IPT transactions are identified, controlled, summarized and explained.
2. To identify identify entities engaged in joint ventures or associations.
3. To ensure presentation and disclosure in accordance with applicable laws and accounting standards, thereby safeguarding the rights and interests of the Company and its shareholders.



SUBJECTS AND SCOPE OF APPLICATION

1. Subsidiaries, joint ventures/ associations.
2. Shareholders owning more than 10% of the Company’s shares, BOD members, Members’ Council, Audit Committee, Supervisory Board, CEO, BOM, Chief Accountant, Unit Directors, the other management levels from Head of Department and above.
3. Organizations whose capital contributions or shares are owned by subjects under paragraph (2), excluding shareholders owning more than 10% of the Company’s shares.
4. Wife, husband, biological father, biological mother, adoptive father, adoptive mother, father-in-law, mother-in-law, biological child, adopted child, son-in-law, daughter-in-law, biological brother, biological sister, brother-in-law, sister-in-law of the subjects under paragraph (2).
5. Related persons of shareholders and authorized representatives

(in case shareholders are organizations) owning more than 10% of the Company’s shares.

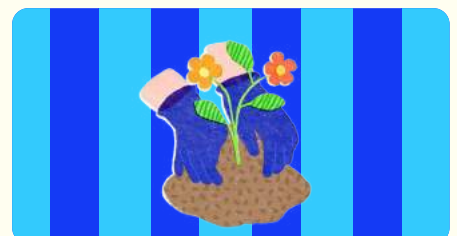
6. Organizations whose decision-making is influenced by subjects under paragraph (4) (owning more than 10% of charter capital).
7. Authorized representatives of the aforementioned subjects.
8. Shareholders owning 51% or more of the total voting shares or related persons of these shareholders (considering only contracts, borrow/ loan transactions, asset sales).
9. Related parties specified in the policy.

MAIN PRINCIPLES

1. Control principle:
 - The mandatory application of the law and the will of governance is uniformly applied to all controls of RPT & IPT without any exceptions.
 - Subjects of application are obligated to annually declare information according to the

specified form, as mandated by the Company.

- Transactions exceeding a value of VND 2 billion per transaction (excluding VAT) must adhere to all control principles.
- It is advisable to report all transactions below VND 2 billion per transaction (excluding VAT). The Company may review the cumulative value of transactions.
- Transactions falling below the control threshold or not directly covered by this document but of a similar nature will be assessed based on the Company’s Code of Conduct and Regulations on Conflicts of Interest.
- The CEO may issue additional internal documents to implement the policy.



- Principles for determining transaction price: Transaction price must comply with market principles as outlined in Policy No. “CS-VNM-18: Policy on Determining Market Price in Related-party transactions” issued by the CEO.
- Principles for protecting and processing personal data: Compliance with Decree 13/2023/ND-CP dated April 17, 2023 (“Personal Data Protection Decree”) and current legal documents relating to the protection and processing of personal data.
- Authority to approve transactions: Approval authority rests with the CEO or the BOD in accordance with the Company’s current management hierarchy, ensuring independence, objectivity, and transparency in all transactions.
- Disclosure of transaction information: Compliance with the Company’s Information Disclosure Regulations posted at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



Point C.4.6: Policy to protect creditors’ interests

In Vietnam, the policy of protecting creditors’ rights is governed by various laws, including but not limited to the Civil Code, Labor Code, Law on Enterprises, Law on Securities, Law on Bankruptcy, Law on Accounting, and Law on Auditing. Vinamilk, being headquartered in Vietnam, is obligated to adhere to the regulations stipulated in these laws.

Furthermore, the Company, guided by its Code of Conduct, upholds the interests of creditors in accordance with principles such as compliance with the law, fairness, honesty, objectivity, harmony of interests, and ethical business practices. Please refer to the Company’s Code of Conduct at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



Point E.3.10: Disclosure of the process for appointing new BOD members



The process of appointing, nominating, standing as a candidate, electing, resigning, and removing BOD members is detailed in Article 9 of Vinamilk’s Internal Regulations on Corporate Governance which the AGM approved on April 26, 2022. These regulations can be found on Vinamilk’s website at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



Point E.5.1: Disclosure of orientation programs for new BOD members

According to the Company’s general policy, newly elected BOD members, upon acceptance of their roles at the Company, will be evaluated by the BOD and assigned to participate in BOD Committees based on their professional expertise and experience. An orientation program, facilitated by the BOD and the Secretariat, will be conducted for new members, encompassing essential content from internal documents such as the Company’s Charter, Internal Regulations on Corporate Governance, Regulations on Operation of the BOD, and Regulations on Operation of Committee relevant to the new members’ roles. Additionally, the Company organizes introductions to its operations and conducts visits to operating facilities (branches, factories, dairy farms, etc.) to provide new members with a comprehensive understanding of the Company in a timely manner.

The costs associated with these orientation programs will be incorporated into the Company’s annual operating budget.

No new BOD member joined the Company in 2023.

Point E.5.2: Disclosure of training policies and hands-on programs for the BOD and Company Secretary

Annually, the BOD and the Company Secretary will collaborate to select and recommend suitable training courses on corporate governance and other areas of expertise to assist the BOD members in fulfilling their duties effectively at the Company. Hands-on programs tailored for the BOD, such as visits and exchanges, combined with BOD meetings, will also be evaluated by the BOD for potential participation based on each program's situation.

The costs associated with training and hands-on programs for the BOD will be incorporated into the operating budget allocated for the BOD for the respective year. Additionally, the membership fee in professional organizations will be covered by the remuneration of the BOD. Here is a summary of the training courses, hands-on programs, and membership in professional organizations for BOD members:



- Courses on corporate governance and membership in professional organizations:

(Please refer to the introduction of the BOD for further details)

No.	Personnel	Training course, membership of professional organization
BOD		
1	Mr. Nguyen Hanh Phuc	Director Certification Program ("DCP"), VIOD. Individual Membership Program ("IMP"), VIOD.
2	Ms. Dang Thi Thu Ha	Director Certification Program ("DCP"), VIOD.
3	Mr. Do Le Hung	Director Certification Program ("DCP"), VIOD.
4	Mr. Le Thanh Liem	Director Certification Program ("DCP"), VIOD. Individual Membership Program ("IMP"), VIOD.
5	Mr. Lee Meng Tat	Individual Membership, SID International Directors Program, INSEAD.
6	Ms. Tieu Yen Trinh	Director Certification Program ("DCP"), VIOD. Individual Membership Program ("IMP"), VIOD. Individual Membership, SID.
7	Mr. Michael Chye hin Fah	Individual Membership Program, Institute of Singapore Chartered Accountants. Individual Membership Program, Chartered Secretaries Institute of Singapore. Individual Membership Program, Singapore Association of the Institute of Chartered Secretaries and Administrators. Individual Membership, SID
Company Secretary		
1	Mr. Tran Chi Son (cum Person in charge of CG)	Director Certification Program ("DCP"), VIOD. Individual Membership Program ("IMP"), VIOD. Certificate of Corporate Governance issued by the State Securities Commission.
2	Ms. Le Quang Thanh Truc	Director Certification Program ("DCP"), VIOD. Individual Membership Program ("IMP"), VIOD. Certificate of Corporate Governance issued by the State Securities Commission.
3	Mr. Dong Quang Trung	Corporate Secretary Master Program Certificate ("CSMP"), VIOD.

- In August 2023, the BOD convened its regular meeting for the second quarter of 2023 in Bangkok, Thailand. This meeting took place abroad and was organized in conjunction with a visit intended for learning and exchanging insights with leaders of ThaiBev Group, a significant shareholder of the Company.



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