

**THE MINUTES OF  
ANNUAL GENERAL MEETING OF SHAREHOLDERS 2016  
OF VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY (VINAMILK)**

Today, on 15<sup>th</sup> April 2017, the Annual General Meeting of Shareholders (hereinafter called “**the AGM**”) of Vietnam Dairy Products Joint Stock Company (the business license No. 0300588569 dated for the first time 20 November 2003 and the 25<sup>th</sup> revision on 18<sup>th</sup> Jan 2017, issued by the Department of Planning & Investment of Ho Chi Minh City; head office at: 10 Tan Trao Street, Tan Phu Ward, District 7, HCM City) (hereafter called “**Vinamilk**”/”**the Company**”) is held at The Reverie Saigon hotel (Times Square), 22-36 Nguyen Hue Street, District 1, HCM City.

**I. THE ATTENDANTS AND LEGAL VALIDITY OF THE AGM:**

**1. The attendants:**

*The Board of Directors (“BoD”)*: All BoD members are present at the AGM, comprising of:

- Mrs. Le Thi Bang Tam : Chairwoman
- Mrs. Mai Kieu Lien : Member and CEO
- Mr. Le Song Lai : Member
- Mr. Le Anh Minh : Member
- Mr. Lee Meng Tat : Member
- Mrs. Ngo Thi Thu Trang : Member and Executive Director - Project

*The Inspection Committee (“IC”)*: All IC members are present at the AGM, comprising of:

- Mr. Nguyen Trung Kien : Head of IC
- Mrs. Nguyen Thi Tuyet Mai : Member

*The Board of Management*: The following Executive Directors are also present at the AGM:

- Mr. Mai Hoai Anh : Chief Operation Officer,  
and Executive Director - Sales
- Mr. Trinh Quoc Dung : Executive Director – Raw Materials Development
- Mrs. Nguyen Thi Thanh Hoa : Executive Director – Supply Chain
- Mrs. Bui Thi Huong : Executive Director – HR. Admin & PR
- Mr. Le Thanh Liem : Acting Executive Director – Finance  
and Chief Accountant
- Mr. Phan Minh Tien : Executive Director – Marketing
- Mr. Tran Minh Van : Executive Director – Production

**Shareholders:**

Besides the shareholders as mentioned in note 2 below, the following attendant is also present at the AGM:

**Independent Auditor:** Mrs. Lam Thi Ngoc Hao, Audit Partner from KPMG Limited.

**2. The legal validity of the AGM:**

From the expected time of AGM opening at 8:30 AM to be present at 8:45 AM, there is 84.5% of the total outstanding shares attending the AGM. The AGM 2017 is legally and lawfully convened and shall continue in according to Part II, Article A, note 2 of this Meeting Minutes.

**II. THE MEETING DETAILS**

**A. The AGM opening procedures: (At 8:45AM)**

1. Mr. Nguyen Trung, on behalf of the AGM organizer, proclaims the reason to hold the meeting and introduces the attendants.
2. Mr. Nguyen Tuong Huy, on behalf of the AGM organizer, announces the shareholders' attendance as follows:
  - According to the shareholder registration list from 8:45AM, the AGM has the presence of 655 shareholders/authorized persons who represent for 1,226,409,920 shares which accounts for 84.5% of the Company's total outstanding shares (1,451,415,315 shares).
  - Pursuant to sub-article 1 of Article 141 of the 2014 Enterprise Law and sub-article 5 of Article 17 of the Company's Charter, with the shareholder's attendance of 84.5%, the AGM is legally and lawfully convened and shall continue.
3. Mr. Nguyen Trung introduces Mrs. Le Thi Bang Tam as the chairperson of the AGM and the BoD members to lead the AGM, includes:
  - Mrs. Le Thi Bang Tam : Chairwoman
  - Mrs. Mai Kieu Lien : Member and CEO
  - Mr. Le Song Lai : Member
  - Mr. Le Anh Minh : Member
  - Mr. Lee Meng Tat : Member
  - Mrs. Ngo Thi Thu Trang : Member and Executive Director - Project
4. Mrs. Tam, the AGM Chairperson, presents the AGM agenda as follows:
  - Mrs. Tam nominates Mr. Tran Chi Son – Senior Finance Manager (and in charge of investor relations function) as the AGM's secretary for recording the meeting minutes and asks the AGM to vote on this.
    - ⇒ The voting result: 100% of the attendants vote 'FOR'.

- Then, Mrs. Tam would like the AGM to approve the meeting agenda as below:
  1. The BoD presents the BoD's reports
  2. The CEO presents the BoM's report
  3. The Inspection Committee ("IC") presents the IC's report
  4. The BoD submits the issues to the AGM for approval
    - The 2016 audited financial statements
    - The BoD's reports
    - The Inspection Committee's report
    - Dividends for 2016
    - Business directions for 5-year term 2017-2021 and business plan for 2017.
    - Selection of the independent auditor for the financial year of 2017
    - The BoD remuneration in 2017
    - Change of governance structure – inspection committee
    - BOD composition
    - Amendments of the Company's Charter, and
    - The BoD's introduction of the candidates for the BoD term 2017-2021
  5. Q&A section
  6. Voting on 2 issues: Change of governance structure – inspection committee and BoD composition
  7. Voting on the remaining issues, election of the BOD for the office term 2017-2021
  8. Announcement of the voting & electing results
  9. BoD hand-over procedures, introduction of the new BoD
  10. Approval of the AGM Resolution and closing the AGM
  
- After that, Mrs. Tam, on behalf of the AGM organizer, would like the AGM to elect the voting ballot Counting committee of 3 persons, the organizer introduces 2 persons below:
  1. Mr. Nguyen Tuong Huy, Internal control & risk management Director
  2. Mr. Nguyen Nghi, IT Director

Mrs. Tam would like the AGM to nominate the third person to supervise the voting ballot counting committee. However, the AGM does not nominate any one. Therefore, Mrs. Tam recommends Ms. Ta Hanh Lien (Internal Audit Director) as the third person in this committee and asks the AGM to vote on it.

⇒ The voting result: 100% of the attendants vote 'FOR'.

#### **B. Presentation of the BoD's reports, BoM's report and IC's report: (at 8:50 AM)**

1. Mrs. Tam presents the summary of the BoD's reports  
*(Mrs. Tam kindly requests the shareholders to review the details of BoD's reports as disclosed from page 68 to 87 in the Company's Annual report 2016).*
  
2. Mrs. Lien presents the BoM's report  
*(Mrs. Lien kindly requests the shareholders to review the details of BoM's report as disclosed from page 88 to 115 in the Company's Annual report 2016).*
  
3. Mr. Kien, on behalf of the IC, presents the IC's report  
*(Mr. Kien kindly requests the shareholders to review the details of IC's report as disclosed from page 116 to 121 in the Company's Annual report 2016).*

## C. Submission of other issues to the AGM for approval (at 9:10 AM)

Mrs. Lien presents 2 issues below to the AGM for approval:

### 1. DIVIDEND FOR 2016

The AGM 2016 approved the dividend payout ratio of at least 50% of the net income.

Based on the Company's result in 2016, the BoD submits to the AGM for approving the total dividend for 2016 at 6,000 dong per share (equivalent to approximately 83% of the profit after tax) and the dividend payments to its shareholders as below:

- The first interim dividend of 4,000dong per share has been paid, the remaining dividend of 2016 will be:
  - Dividend rate : 2.000 dong per share
  - Record date : May 5<sup>th</sup> 2017
  - Payment date : May 22<sup>nd</sup> 2017

### 2. GUIDELINES FOR THE 5-YEAR TERM OF 2017-2021 AND THE PLAN FOR 2017

#### a. Strategic guidelines

- Investing for the continued success in Vietnamese dairy industry: Gain the dominant position in all categories, develop markets with innovation and support, create competitive advantages in order to win in the chilled category, and develop new sales channels.
- Becoming the dairy company that creates most values in ASEAN and the pioneer in innovation and creativity by investing in emerging and developing countries in ASEAN to create successful subsidiaries via M&A and joint venture. Seek opportunities in the US and the region of Australia-New Zealand to strengthen the production capacity and the supply of raw material.
- Seeding in the future development: Make selective investments in categories and distribution channels that will become growth pillars in the next 10-20 years.

#### b. Target revenues and five year average growth rate

- Total revenues by 2021 is 80,000 billion dong, of which, domestic sales is 61,000 dong (or 75% of the total) and sales from foreign markets is 19,000 billion dong (or 25%).
- The average growth rate of the domestic revenues is 10% p.a, equivalent or higher than the market growth rate.

#### c. Total investment

- Total estimated capital expenditure, including the improvement of production capacities and the investments in Vinamilk farms, is 17,000 billion dong.
- The average production capacity will increase to 2.8 million tons by 2021, up 70% in 2016.
- By 2021, the total herds of Vinamilk's farms is estimated to reach 44,400 heads. The milk volume from Vinamilk's farms will be 157,000 tones, and from farmers will be 251.000 tones.

**d. Plan for 2017**

i. Planned consolidated revenues and profit for 2017 are as follows:

(In billion dong)	Planned 2017	Actual 2016	Growth	
			Billion dong	%
Revenues	51,000	46,965	4,035	8%
Profit before tax	11,800	11,238	562	5%
Profit after tax	9,735	9,364	371	4%

ii. Dividends and distribution to funds in 2017

(a) 2017 profit distribution:

- Development investment fund : 10% of profit after tax
- Bonus and welfare fund : 10% of profit after tax

(b) Dividend payment calendar:

- Cash dividend : At least 50% of profit after tax
- First interim dividend : August-September 2017
- Second dividend : May-June 2018

Then, Mr. Minh presents 2 issues below to the AGM for approval:

**3. SELECTION OF INDEPENDENT AUDITOR FOR FY 2017**

The Board proposes the AGM to re-select KPMG (Vietnam) Co. Ltd. as independent auditor of Vinamilk in 2017.

**4. BOARD REMUNERATION FOR 2017**

The Board proposes to the AGM to approve the 20 billion dong remuneration of the Board for 2017 (including the remuneration of the Inspection Committee in Q1/2017, before the governance structure is changed).

Then, Mrs. Tam presents 2 issues below to the AGM for approval:

**5. CHANGING THE COMPANY'S GOVERNANCE STRUCTURE**

Changing the governance structure:

The Inspection Committee shall be converted into Sub-Committee of Audit (also known as Internal Audit Committee managed by the Board)

**6. BOD COMPSITION**

Number of Board members for the office term of 2017-2021.

In order to effect the obligations of the Board under the new model, the Board proposes to the AGM to approve the number of Board members for the office term of 2017-2021 of 9 persons.

For the last 2 issues:

- Amendments of the Charter (inclusive of 3 additional items presented in the AGM slides); and
- Introduction of BoD candidates of the BoD term 2017 - 2021

Mrs. Tam kindly requests shareholders to review the attached documents.

#### **D. Q&A section: (At 9:30AM)**

The Chairperson informs the AGM to start the Q&A section. There are many opinions discussed at the AGM. Below are some key contents discussed:

Seq.	Shareholder' questions	Responses from the Company
1	The business results in Q1/2017 were very good, with revenue and profit increasing by 16% and above 30% respectively, but why is the 2017 plan set out to rise just by 4-5%?	Strong business results in Q1/2017 were contributed partly by low-cost input materials. However, as you may know, prices of materials have increased, which may affect the company's profit for the year. We hope that revenue and profit growth in remaining quarters shall be maintained as good as in Q1/2017. We expect the shareholders to approve the business plan proposed by Vinamilk and all of its employees will put all efforts into it. This is considered the minimal plan that the Company must achieve and the results would be better if the plan is executed better.
2	Soya milk and ice-cream categories are not well-developed. What is the Company's strategy for these products?	Market size of soya milk products is around VND3,000 billion and that of ice-cream is about VND1,000 billion. The company will make its own decisions based upon each specific market situation. We some time tap on the big-size market and some other times we focus more on niche market. We however are very grateful for the comment and we will have strategy for soya milk and ice-cream in times to come.
3	In 2017, will the Company issue any bonus share?	We do not have the proposal on bonus shares yet and would like to wait to see how the business operation looks like in 2017. Money is set aside for M&A to develop, so the BOD agreed not to issue bonus shares.
4	Does the participation of MR. Nguyen Ba Duong bring any benefits for the firm?	Vinamilk's BOD will meet the regulation that one third of its BOD member will be independent members. These 3 independent members will responsible for 3 important committees of the Company, including: <ul style="list-style-type: none"> <li>- Nomination committee</li> <li>- Audit committee</li> <li>- Remuneration committee</li> </ul> Mr. Duong is the Chairman cum CEO of Cotecons JSC, a large corporation in Vietnam. Mr. Duong is also Top Ten Excellent Team – Development Executives in Vietnam. Therefore, the BOD had considered carefully inviting Mr.

		Duong to be an independent director of Vinamilk.
5	<p>What are the exported products and where are the export markets?</p> <p>What is the strategy to increase export sales and who are the partners in the export markets?</p>	<p>The Company will decide whether to keep developing a market or stop penetrating one, depending on each market. However, during the execution, the BOM will reckon and decide to make sure that the Company will take advantage of all opportunities to develop overseas market via both direct export and M&amp;A.</p>
6	<p>Does Vinamilk have any plan to invest in automation from production to end-customers to generate the best efficiency?</p>	<p>Vinamilk has long invested in automation, especially the Mega factory and dairy cow farms. In coming time, our farms will have milking lines operated by robots. Vinamilk will keep investing in such automation in times to come.</p>
7	<p>Divestment progress of SCIC: how is the divestment roadmap in coming time?</p> <p>Is there any change is auction policy in SCIC's upcoming divestment?</p> <p>Will F&amp;N take over Vinamilk?</p>	<p>Mr. Lai, on behalf of SCIC, replied:</p> <p>We are reporting to the government to continue divesting in coming time. We will execute it when the decision is made. SCIC's divestment must abide by laws, international practices, maximize shareholders' interest and avoid any volatility in the market as Vinamilk is a big corporation. We expect shareholders to keep following information and approve.</p> <p>Ms. Lien shared: We should not distinguish shareholders as either domestic or foreign shareholders, providing that everyone gets together to develop a Vietnamese brand for the common sake of all shareholders.</p>
8	<p>I see that none of the Company's officials is specialized in food chemistry to help develop the company better in coming time.</p>	<p>We have a team of staff who are well trained in dairy processing, production, automation, chemical technology... in Poland, Russia. Vinamilk ensures that man power will meet development requirements of the Company and shareholders should be assured.</p>
9	<p>Revenue target is mentioned in 5-year business plan. How about the market share target?</p>	<p>Our principle is to gain market share, always ensure the best product quality to consumers and more importantly the Company is heading to sustainable development for the sake of shareholders.</p>
10	<p>Organic milk: we heard that a competitor also had organic milk products, so we do not know how organic milk is defined.</p> <p>Price of organic milk is currently very high, nearly double that of standard milk. So why does the company reduce production costs to be able to sell to consumers as a majority of them do not have</p>	<p>Ms. Lien shared that in order to have organic milk, there must be:</p> <ul style="list-style-type: none"> <li>- Organic soil</li> <li>- Organic grasses imported from Australia</li> <li>- Cow breeds</li> </ul> <p>Our dairy farm is certified as an organic dairy farm by a Netherlands Union through the processes of sampling and testing. I guarantee that Vinamilk's organic dairy cow farm is the first organic farm in Vietnam.</p> <p>We mention no ingredient on product label because the product is purely real from its nature, we do not add any ingredients such as canxi,..</p>

	high income?	In term of pricing: Organic milk price in the world market is also double of the standard milk price. Vinamilk is having the first batch of milk and hopes that rising volume will help reduce production costs.
11	Does the changes in Corporate Governance model violate the Corporate Laws?	The BOD invited Mr. Hieu, Vice President of Central Institute for Economic Management to share some information about this concern:  The Article 134 of the Enterprise Laws allows companies to choose between maintaining the current Corporate Governance model or follow the new one without the Inspection Committee. Therefore, Vinamilk legally abides by laws. Mr. Hieu also shared that when compiling the Laws, the lawmakers expected all enterprises transform to new model and VNM is the pioneer in applying this advanced Corporate Governance model which is popular in the US and UK. When applying the new one, VNM will have a better position in negotiating with foreign partners. The role of BOD is also increased and the benefit of minority shareholders will be better protected.

Mrs. Lien kindly requests that if any shareholder has questions, please send them to Vinamilk' office and the Company will reply directly to the shareholders so that the AGM will have time for voting and election.

While awaiting the voting, the attendants discuss the Company's operations.

#### **E. Voting and election: (at 10:18AM)**

According to the AGM agenda, the AGM shall vote on 02 issues below:

- Change on the Company's corporate governance structure
- BoD composition

The shareholders will vote on these 2 issues by showing their hand. Mr. Huy, on behalf of the voting ballot counting committee, announces the shareholders' attendance and guiding voting and election procedures.

- Mr. Huy announces the shareholders' attendance prior to the voting is 1,232,974,704 shares, representing for 84.95% of the total voting rights.
- In addition, Mr. Huy also guides the shareholders on how to vote on the voting issues.



After that, the AGM starts to vote on the 2 issues above and the voting result is below:

- **Change on the Company's corporate governance structure**

Approve	1,232,709,747 shares	99.98% of the total voting rights attending at the AGM
Disapprove	257,260 shares	0.02% of the total voting rights attending at the AGM
Abstain	11,040 shares	0.00% of the total voting rights attending at the AGM

- **BoD composition**

Approve	1,232,966,957 shares	100% of the total voting rights attending at the AGM
Disapprove	0 shares	0.00% of the total voting rights attending at the AGM
Abstain	11,090 shares	0.00% of the total voting rights attending at the AGM

Then, the voting ballot counting committee continues to work on the remaining voting issues and election of the BoD for the new term of 2017 - 2021. The shareholders starts to vote and elects. The AGM has a break-time while awaiting the voting election results.

At 11:38 AM, the voting ballot counting committee announces the voting and election results below:

- **The 2016 audited financial statements**

Approve	1,230,201,158 shares	99.78% of the total voting rights attending at the AGM
Disapprove	80 shares	0.00% of the total voting rights attending at the AGM
Abstain	2,776,809 shares	0.22% of the total voting rights attending at the AGM

- **The BoD's reports**

Approve	1,232,305,816 shares	99.95% of the total voting rights attending at the AGM
Disapprove	0 shares	0.00% of the total voting rights attending at the AGM
Abstain	672,231 shares	0.05% of the total voting rights attending at the AGM

- **The Inspection Committee's report**

Approve	1,232,190,130 shares	99.94% of the total voting rights attending at the AGM
Disapprove	0 shares	0.00% of the total voting rights attending at the AGM
Abstain	787,917 shares	0.06% of the total voting rights attending at the AGM

- **Dividends for 2016**

Approve	1,231,768,569 shares	99.90% of the total voting rights attending at the AGM
Disapprove	444,470 shares	0.04% of the total voting rights attending at the AGM
Abstain	765,008 shares	0.06% of the total voting rights attending at the AGM

- **Business directions for 5-year term 2017-2021 and business plan for 2017.**

Approve	1,230,896,017 shares	99.83% of the total voting rights attending at the AGM
Disapprove	1,258,561 shares	0.10% of the total voting rights attending at the AGM
Abstain	823,469 shares	0.07% of the total voting rights attending at the AGM

- **Selecting the independent auditor for the financial year of 2017**

Approve	1,224,186,014 shares	99.29% of the total voting rights attending at the AGM
Disapprove	120 shares	0.00% of the total voting rights attending at the AGM
Abstain	8,791,913 shares	0.71% of the total voting rights attending at the AGM

- **The BoD remuneration in 2017**

Approve	1,226,925,507 shares	99.51% of the total voting rights attending at the AGM
Disapprove	1,827 shares	0.00% of the total voting rights attending at the AGM
Abstain	6,050,713 shares	0.49% of the total voting rights attending at the AGM

- **Amending the Company's Charter**

Approve	1,226,995,953 shares	99.52% of the total voting rights attending at the AGM
Disapprove	472 shares	0.00% of the total voting rights attending at the AGM
Abstain	5,981,622 shares	0.48% of the total voting rights attending at the AGM

The AGM organizes a goodbye ceremony to the BoD and IC of the office term of 2012-2016 and the BoD of the office term 2017-2021 presents to the AGM.

### III. ISSUES APPROVED BY THE AGM:

According to the Article 17.2 and 17.3 of the Company's charter, the following issues are approved by the AGM:

#### 1. Voting result

Seq	Approved issues	% approved
1	The 2016 audited financial statements	99.78%
2	The BoD's reports	99.95%
3	The Inspection Committee's report	99.94%
4	Dividends for 2016	99.90%
5	Business directions for 5-year term 2017-2021 and business plan for 2017.	99.83%
6	Selecting the independent auditor for the financial year of 2017	99.29%
7	The BoD remuneration in 2017	99.51%
8	Change of governance structure – inspection committee	99.98%
9	BOD composition	100%
10	Amending the Company's Charter	99.52%

#### 2. Election of BoD term 2017 – 2021

Seq	Full name	Total shares of election	% elected
1	Mr. Nguyen Ba Duong	1,191,673,253	96.65%
2	Mr. Michael Chye Hin Fah	1,132,918,480	91.88%
3	Mrs. Dang Thi Thu Ha	1,130,746,256	91.71%
4	Mr. Nguyen Hong Hien	1,131,009,593	91.73%
5	Mr. Do Le Hung	1,183,719,500	96.00%
6	Mr. Le Thanh Liem	1,315,430,731	106.69%
7	Mrs. Mai Kieu Lien	1,457,841,919	118.24%
8	Mr. Lee Meng Tat	1,133,339,540	91.92%
9	Mrs. Le Thi Bang Tam	1,370,600,265	111.16%

#### **IV. THE APPROVAL ON THE AGM'S RESOLUTION (At 11:45 AM)**

Mr. Tran Chi Son, Secretary of the AGM presents the Resolution to the AGM and the Resolution is approved by 100% of the shareholders at the AGM.

The AGM ends at 12:05 AM on the same day.

Mrs. Le Thi Bang Tam (Chairperson)



A red circular stamp from Công Ty Cổ Phần Sữa Việt Nam. The stamp contains the text: "M.S.D.N: 0300588569-C.T.C.P.", "CÔNG TY CỔ PHẦN SỮA VIỆT NAM", and "QUẬN 7 - T.P HỒ CHÍ MINH". A blue ink signature is written over the stamp.

**The Secretary to record the Minutes**

Mr. Tran Chi Son



A blue ink signature of Mr. Tran Chi Son, written over a horizontal line.