



CORPORATE GOVERNANCE

- 144 General meeting of shareholders
- 146 Structure and activities of the Board of Directors
- 170 Structure and activities of the Supervisory Board
- 178 Transactions, remunerations and benefits of the Board of Directors, Executive Board and Supervisory Board
- 184 Risk management
- 190 Key internal control activities of PVCFC
- 191 Assessment on implementation of corporate governance based on ASEAN Corporate Governance Scorecard

**BUILDING IDENTITY
AS A THOUGHT LEADER**



GENERAL MEETING OF SHAREHOLDERS

Ensuring equality to all shareholders based on PVCFC’s policies, all information related to PVCFC’s operations are disclosed in a full, accurate and promptly manner in accordance with the current legal regulations to shareholders and other relevant parties.

The Company published information disclosure regulations (information disclosure rules on stock market) based on compliance with regulations of the Law, stipulating scopes, subjects and order of information disclosure (regulations of information disclosure and sending invitation letters to shareholders at least 21 days before the date of organizing General Meeting of Shareholders)

Information disclosure must comply with policy of information disclosure, being posted on the company’s website and sending to management agencies as stipulated.

Policy of information disclosure, rules on organizing General Meeting of Shareholders, election regulations demonstrate that all shareholders are eligible for participating and contributing opinions, ensuring equal access documents and voting rights to exercise rights of shareholders.

The Company establishes IR team to receive, discuss and respond to opinions of shareholders and investors; contact information channel via phone, email, fax, etc. is publicly announced on the Company’s website for shareholders to easily contact.

In 2023, apart from organizing Annual General Meeting of Shareholders, PVCFC also organized 01 extraordinary General Meeting of Shareholders on January 10 2023 to ratify contents under authority of General Meeting of Shareholders. Information about meetings, resolutions/ decisions of General Meeting of Shareholders (including resolutions of General Meeting of Shareholders approved under forms of obtaining shareholders’ written opinions) is as follows:

No.	Number of resolutions	Date	Content
1	1462/NQ-PVCFC	12/06/2023	Resolution of Annual General Meeting of Shareholder in 2023
2	1481/NQ-PVCFC	13/06/2023	Issuing charters of PetroVietnam Ca Mau Fertilizer JSC
3	1492/NQ-PVCFC	14/06/2023	Approving amendments, supplements to Gas Purchase Contract with Vietnam Oil and Gas Group
4	70/NQ-PVCFC	10/01/2024	Resolution of extraordinary General Meeting of Shareholders
5	88/NQ-PVCFC	12/01/2024	Issuing amended charters, supplementing charters of PetroVietnam Ca Mau Fertilizer JSC
6	90/QĐ-PVCFC	12/01/2024	Amending and issuing internal regulations on management of PetroVietnam Ca Mau Fertilizer JSC
7	91/QĐ-PVCFC	12/01/2024	Amending and issuing operational regulations of BOD of PetroVietnam Ca Mau Fertilizer JSC

- On June 12 2023, the Company successfully organized an Annual General Meeting of Shareholders 2023 as scheduled. The Company has disclosed meeting documents and sent invitation letters to shareholders 28 days before organizing General Meeting of Shareholders (documents accounted on May 16 2023 and organizing General Meeting of Shareholders on June 12 2023).
- At the Annual General Meeting of Shareholders dated June 12 2023, the General Meeting of Shareholders have approved the amendments, supplements of Charters, Gas Purchase Contract with Vietnam Oil and Gas Group (a major shareholder and a related party) and authorized BOD to amend, supplement and issue internal charters on corporate governance, operational regulations of BOD appropriate with the Company’s charters and current legal regulations. In July 2023, based on the company’s charters approved by General Meeting of Shareholders, BOD has approved and issued internal regulations on corporate governance attached with Decision No 1824/QĐ-PVCFC dated July 18 2023, operational regulations of BOD attached with Decision No 1823/QĐ-PVCFC dated July 18 2023 to implement and publicly announce on the Company’s website. Corporate governance regulations clearly stipulate governance principles, governance structure, composition and operation of BOD, Committees, procedures of organizing General Meeting of Shareholders and issuing resolutions, decisions, etc. to improve efficiency of corporate governance of PVCFC.
- Number of members of BOD, Supervisory Board, EB attending the Annual General Meeting of Shareholders:
 - » All BOD members: 7/7 members
 - » All members of Supervisory Board: 3/3 members
 - » General Director: 1/1
 - » Representatives of independent audit unit - Deloitte Vietnam: 1
- At the meeting, the Presiding Committee has invited the third party (shareholder) to join Vote Counting Committee to supervise vote counting to ensure objectivity and transparency.
- At the 2023 extraordinary shareholder meeting was organized on January 10 2024, PVCFC has disclosed meeting documents and sent invitation letters on December 06 2023 (35 days before the date of organizing the meeting). The meeting was held in an online format combined with in-person format and electronic voting (stipulated on the Company’s charter). The Company opened a voting portal 03 days before the meeting day for shareholders early and remotely. At the meeting, shareholders many raise questions and conduct online discussion with the Presiding Committee.
- At the extraordinary General Meeting of Shareholders, shareholders voted for BOD members and approved amendments and issued operational regulations of BOD, internal regulations on corporate governance, the Company’s charter and amended/supplemented business lines.
- Shareholders are eligible for contributing opinions at all sessions of the General Meeting of Shareholders. Shareholders’ contributed opinions and responses of the Presiding Committee are recorded in the minute of the meeting.

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

INFORMATION OF BOD MEMBERS, COMMITTEES, INTERNAL AUDIT DIVISION

BOD MEMBERS

No.	BOD members	Position	Date of starting/of no longer being Member of the BOD/ Independent Member of the BOD			Number of shares owned at period closing	Stock ownership ratio at period closing
			Appointment date	Dismissal date	Date of first appointment		
1	Mr. Tran Ngoc Nguyen	Chairman of the BOD	10/01/2024		10/01/2019	0	0.000000%
2	Mr. Van Tien Thanh	BOD member cum General Director	12/06/2023 ⁽¹⁾		12/06/2018	109,000	0.020589%
3	Mr. Tran My	Non-executive Director	25/06/2020	10/01/2024 ⁽²⁾	15/01/2015	2,900	0.000548%
4	Mr. Nguyen Duc Hanh	Non-executive Director	25/06/2020		25/06/2020	8,000	0.001511%
5	Mr. Le Duc Quang	Non-executive Director	27/04/2021		25/06/2020	0	0.000000%
6	Mr. Truong Hong	Independent Director	27/04/2021		27/04/2021	0	0.000000%
7	Ms. Do Thi Hoa	Independent Director	27/04/2021		27/04/2021	0	0.000000%
8	Mr. Nguyen Duc Thuan	Non-executive Director	10/01/2024 ⁽³⁾		10/01/2024	0	0.000000%

(1) Mr. Van Tien Thanh continues to be appointed by General Meeting of Shareholders as BOD member from June 12, 2023.

(2) Mr. Tran My resigned from August 1, 2023 and approved by General Meeting of Shareholders from January 10, 2024 at the extraordinary meeting.

(3) Mr. Nguyen Duc Thuan was appointed by the General Meeting of Shareholders from January 10, 2024 at the extraordinary meeting.



STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

INFORMATION OF BOD MEMBERS, COMMITTEES, INTERNAL AUDIT DIVISION (CONTINUED)

BOD MEMBERS (CONTINUED)

Structure of BOD members

PVCFC's BOD well recognizes the importance of diversity of BOD members and ensures the best practices of this orientation. The Company's internal governance regulations outline direction and policies on ensuring gender, age and professional skill diversity of BOD align with the Company's long-term development strategy. In recent years, based

on the Company's development strategy, the Company targeted to add 01 female member of BOD and 01 other BOD member who is experienced in agriculture sector and soil health. This target was achieved in 2021. In the coming year, the Company will continue pursuing the board's diversity.

No.	Criteria	Mr. Tran Ngoc Nguyen	Mr. Van Tien Thanh	Mr. Tran My (resigned from August 1, 2023)	Mr. Nguyen Duc Hanh	Mr. Le Duc Quang	Ms. Do Thi Hoa	Mr. Truong Hong	Mr. Nguyen Duc Thuan
1	Position in the Board of Directors/participation in the Executive Board	Chairman/ Non-executive	BOD member cum General Director	Non-executive Director	Non-executive Director	Non-executive Director	Independent Director	Independent Director	Non-executive Director
2	Gender	Male	Male	Male	Male	Male	Female	Male	Male
3	Age	46	55	61	51	47	63	64	49
4	Areas of expertise	Ph.D. in Chemical Engineering, Master's degree in Economic Management	Agricultural and Forestry Mechanical Engineer	Engineer in Industrial Economics	Engineer in Energy Economics	Master of Business Administration, Chemical Engineer Petrochemical	Bachelor of Industrial Accounting	Doctor of Agriculture, major in Soil and Fertilizer	Engineer of Transport Economics
5	Audit & Risk Management Committee	-	-	Member	-	Member	Chairman	-	Member
6	Human Capital and Compensation Committee	-	-	Member	Member	-	Member	Chairman	-
7	ESG Committee	-	-	-	Chairman	Member	-	-	-
8	Positions at other companies	None	None	None	None	None	None	None	Chairman of the BOD's PPC

- ESG Committee was established on February 29 2024 including non-executive Director - Mr. Nguyen Duc Hanh and non-executive Director - Le Duc Quang.
- Members of the Audit and Risk Management Committee include Mrs. Do Thi Hoa, Mr. Tran My, Mr. Le Duc Quang. From March 1 2024, the members of committee include Mrs. Do Thi Hoa, Mr. Truong Hong, Mr. Nguyen Duc Thuan. 2/3 Independent Directors and 1 Non-executive Director.

ESG COMMITTEE

2
NON-EXECUTIVE DIRECTORS

AUDIT & RISK MANAGEMENT COMMITTEE

2
INDEPENDENT DIRECTORS

1
NON-EXECUTIVE DIRECTOR

HUMAN CAPITAL AND COMPENSATION COMMITTEE

2
INDEPENDENT DIRECTORS

- Human Resource and Compensation Management Committee (including Mr. Truong Hong, Mr. Nguyen Duc Hanh, Mr. Tran My) was renamed as Human Capital and Compensation Committee from March 1 2024 including 02 independent Directors: Mr. Truong Hong and Mrs. Do Thi Hoa.
- The Company charter requires each director term should not exceed 5 years. An independent director should not sit in the board in more than 2 consecutive terms. A director should not sit in the board of more than 5 other companies.

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

INFORMATION OF BOD MEMBERS, COMMITTEES, INTERNAL AUDIT DIVISION (CONTINUED)

POSITIONS HELD AT OTHER ORGANIZATIONS OF BOD MEMBERS AND CONFLICTS OF INTERESTS RELATED TO PVCFC

No.	BOD member	Owning, holding management and executive positions at other listed companies	Conflicts of potential interests with PVCFC
1	Mr. Tran Ngoc Nguyen	No	No
2	Mr. Van Tien Thanh	No	No
3	Mr. Tran My	No	No
4	Mr. Nguyen Duc Hanh	No	No
5	Mr. Le Duc Quang	No	No
6	Mr. Truong Hong	No	No
7	Ms. Do Thi Hoa	No	No
8	Mr. Nguyen Duc Thuan	Chairman of the BOD's PPC	Yes (from date of being appointed as BOD member on January 10 2024)



CORPORATE SECRETARY - IN CHARGE OF CORPORATE GOVERNANCE

BOD has appointed a person in charge of corporate governance cum corporate secretary, Information about personnel in charge as follows:

Mr. Do Thanh Hung

Specialized training

- Engineer in Refining-Petrochemical Technology.
- Bachelor of Political Economics.
- Master of Business Administration.
- CSMP-VIOD Corporate Secretary.
- Director Certification (DCP-VIOD).

Working experience

- 1998 - 2006: R & D Center for oil and gas processing - Vietnam Oil and Gas Group.
 - Conducting research and analysis on the quality of crude oil of crude oil and petroleum products and petroleum products.
 - Conducting research, assessing, evaluating petroleum market and products; setting, appraising and managing investment projects.
- 2006 - 2011: Petroleum Finance Corporation - HCMC branch.
 - Proposing, implementing and managing project investment, financial investment and services in financial companies.
- 2011 - 2016: Vietinbank - Branch No 7, HCMC.
 - Planning.
 - Banking risk management, dealing with debt problems.
 - Managing quality system according to ISO.
- 2016 - now: PetroVietnam Ca Mau Fertilizer JSC.
 - He has legal expertise and experience in fields of investment, finance, banking, law on enterprise, expertise and experience in field of petroleum processing (main business line of PVCFC), corporate governance to advise and consult BOD in corporate governance.

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

COMMITTEES UNDER BOD

- PVCFC has now 03 committees under BOD (i) Audit and Risk Management Committee, (ii) Human Capital and Compensation Committee and ESG Committee (established in March 2024).
- Members of Committees are non-executive Directors, Chairwoman of Audit & Risk Management Committee is independent Director - Ms. Do Thi Hoa, Chairman of Human Capital and Compensation Committee is independent Director - Mr. Truong Hong. Members of Human Capital and Compensation Committee are independent Directors.
- Structure, scale and components of Committees are appropriate with practical conditions of the Company. Committees support BOD to uphold synergy, improve role and bring into plays management efficiency of the Company.

INFORMATION ABOUT MEETINGS AND MEMBER PARTICIPATION OF COMMITTEES (IN 2023)

Audit & Risk Management Committee	Number of meetings: 04	Note
Independent Director, Ms. Do Thi Hoa - Chairwoman	4/4	
Non-executive Director - Mr. Tran My	2/2	
Non-executive Director - Mr. Le Duc Quang	4/4	
Human Capital and Compensation Committee	Number of meetings: 02	
Independent Director, Mr. Truong Hong - Chairman	2/2	
Non-executive Director - Mr. Tran My	1/1	Resigned from August 1, 2023
Non-executive Director - Mr. Nguyen Duc Hanh	2/2	

Note: In 2023, Audit & Risk Management Committee organized 04 meetings, 03 in-person meetings and 01 online meeting.

INTERNAL AUDIT DIVISION

- Internal Audit Division: established in November 2020 under BOD to implement internal audit of PVCFC according to Decree No 05/2019/ND-CP. The Division includes 05 members with specialized expertise in fields: Law, Finance, Audit, Accounting, Technical technology.
- Head of the Internal Audit Division is Mr. Vu Chi Duong - Master of Finance-Banking, Bachelor of Accounting-Audit, Bachelor of Law. Mr. Vu Chi Duong has years of experience in fields of legal affairs, finance-accounting, internal control, risk management, audit.
- Working history of Mr. Vu Chi Duong:

Working time	Titles, positions, workplace
03/2001 - 01/2004	Legal specialist, Ba Ria Thermal Power JSC
02/2004 - 11/2007	Contract economic specialist, Management Board of Ca Mau Gas -Electricity Complex
12/2007 - 12/2008	Corporate Credit Specialist, PetroVietnam Finance JSC-Vung Tau branch
12/2008 - 08/2009	Accounting specialist in charge of HCMC branch, PetroVietnam Power Technical Services JSC
09/2009 - 11/2011	Head of Payment and Commercial Accounting Department, Phu My Fertilizer Plant, PetroVietnam Fertilizer and Chemicals JSC
12/2011 - 06/2015	Specialist level 2, Internal Control Department, Vietnam Oil and Gas Group
07/2015 - 07/2017	Compliance Team Leader - Internal Control Department, PetroVietnam Ca Mau Fertilizer JSC Cum member of Supervisory Board, PetroVietnam Packaging JSC
08/2017 - 05/2018	Deputy Head of Compliance Inspection Unit, Internal Control Department, PetroVietnam Ca Mau Fertilizer JSC Cum member of Supervisory Board, PetroVietnam Packaging JSC
06/2018 - 11/2020	Head of Risk Management Department, Internal Control Department, PetroVietnam Ca Mau Fertilizer JSC. Cum Head of Supervisory Board, PetroVietnam Packaging JSC
12/2020 - 07/2021	Internal auditor - Internal Control Division, PetroVietnam Ca Mau Fertilizer JSC Cum Head of Supervisory Board, PetroVietnam Packaging JSC
08/2021 - 06/2022	Deputy Head of Internal Audit Division, PetroVietnam Ca Mau Fertilizer JSC Cum Head of Supervisory Board, PetroVietnam Packaging JSC
06/2022 - 06/2023	Head of Internal Audit Division, PetroVietnam Ca Mau Fertilizer JSC Cum Head of Supervisory Board, PetroVietnam Packaging JSC
07/2023 - now	Head of Internal Audit Division, PetroVietnam Ca Mau Fertilizer JSC

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

MEETINGS AND FUNCTIONS OF BOD

Functions of BOD

BOD members fully attend BOD meetings, documents are sent to members 05 days before the date of organizing meetings and updated before the meetings.

BOD members in 2023 do not hold any management and executive positions in any related companies; holding no cross-ownership with suppliers or other related parties. In particular, Mr. Nguyen Duc Thuan as BOD member was appointed on January 10 2024 as BOD Chairman of PetroVietnam Packaging JSC - a subsidiary of PVCFC.

On January 29 2024, chaired by BOD Chairman, non-executive Directors organized a private meeting to discuss operation related issues of General Director, reviewing the succession plan of key personnel of the Company under management of BOD.

On June 12 2023, the Company successfully organized the Annual General Meeting of Shareholders 2023 as scheduled.

BOD decided to finalize the list of shareholders entitled to receive 2022 cash dividend on July 17 2023, payment was made on September 11 2023 in accordance with regulations of the Company's charter (payment made within 3 months since date of being approved by General Meeting of Shareholders).

In 2023, BOD directed and supervised the transaction of purchasing 100% of contributed capital in Korea-Vietnam Fertilizer Co., Ltd (KVF). This transaction is under authority of BOD, it helps PVCFC increase its capacity and expand its market, etc. The purchasing deal was appraised by an independent unit to ensure transparency and price matching.

The BOD, with effective support from Corporate Secretary, oversees compliance with regulations and selected corporate governance frameworks. At PVCFC, we commit to compliance with

THE MEETINGS OF BOARD OF DIRECTORS

NO.	Members of the BOD	Attending meetings	Ratio
1	Mr. Tran Ngoc Nguyen	13/13	100%
2	Mr. Van Tien Thanh	13/13	100%
3	Mr. Tran My	8/8	100%
4	Mr. Nguyen Duc Hanh	13/13	100%
5	Mr. Le Duc Quang	13/13	100%
6	Mr. Truong Hong	13/13	100%
7	Ms. Do Thi Hoa	13/13	100%

(*) Reason for not attending:
Resign from August 1, 2023

corporate governance regulations in Vietnam and fully comply with good governance practices introduced in ASEAN Corporate Governance (ACGS) Scorecard 2023. In 2023, PVCFC has 100% complied with corporate governance regulations in accordance with current legal regulations of Vietnam. PVCFC's response to ACGS 2023 is presented at page 191. Corporate governance activities were presented at Charter, Internal Regulations on corporate governance including basic regulations on: role, right, structure of parties involved in corporate governance such as General Meeting of Shareholders, BOD, committees under BOD, Supervisory Board, Executive Board, etc. Issues are under supervision (supervisory environment) including risk management, internal control, internal audit, independent audit, etc.; principles and regulations on assessment and compensation, etc.

One of the key tasks of BOD in 2023 was to seek a candidate to replace Mr. Tran My who resigned in August 2023 to submit to the General Meeting of Shareholders for voting in January 2024. Apart from nomination from shareholders/groups of shareholders owning from 10% of capital and up, BOD including independent Directors also seek candidates from their networks as well as

discuss with other professional organizations. As a result, Mr. Nguyen Duc Thuan has been nominated by a major shareholder and approved by the General Meeting of Shareholders.

The Board acknowledges that climate change is now a material issue. Although BOD always pays special attention to safety, health and environment, but BOD has continuously and drastically implemented a lot of activities related to orientation, strategy for implementation of ESG standards.

- At the periodical meeting in November 2023, Mr Nguyen Duc Hanh has been assigned by the Board to in charge ESG activities. All BOD members have been well trained on ESG and they shall organize training/introduce ESG to other departments and divisions of PVCFC.
- At the extraordinary meeting organized on January 10 2024, shareholders have raised questions related to the ESG issues and the Company's Leadership Board has shared detailed information about implementation of the ESG standards. The Leadership Board has committed to implementing corporate governance practice and ESG according to good governance practices.

PVCFC has built a special section of Health-Safety-Environment on its website, updating results of periodically and quarterly environmental measures. This affirms the company's commitments to compliance with environmental issues and climate change. At the same time, all activities implemented by PVCFC are toward management of reduction of impacts of climate change.

Apart from General Meetings of Shareholders, PVCFC has organized investor meetings under the form of public or private to create conditions for shareholders/investors to grasp and discuss information about the company's business and production activities. In 2023, PVCFC organized 01 officially public meeting with investors/analysts in November 2023 to provide and update information in a timely manner. These meetings have been publicly announced on the Company's website. PVCFC has frequently met/discussed with investors/analysts at a smaller scale to answer/provide information to investors as requested. Updating reports/periodical newsletter on the Company's

business and production situation.

BOD has reviewed business and production strategy at least 1 time in every 6 months through BOD meetings. To make these effective, before BOD meetings, the Executive Board should need to provide reports on implementation of business strategy approved by BOD and being sent to BOD members for consideration. BOD has also assigned jobs for individuals in charge of reviewing business strategies to report to BOD. These efforts have helped BOD adjust or increase essential resources timely, ensuring business activities align with the Company's development strategy.

On a quarterly basis, based on risk management report of the General Director, Internal Audit Division, Audit & Risk Management Committee, BOD evaluates efficiency and appropriateness of risk management and internal control systems to ensure effective control of material risks. Material risks in 2023 under control by BOD included: market risk, input material risk, climate change risk, IT risk (including information security and continuity of operations), production safety risk, etc. On a periodical basis, BOD reviews management of material risks in BOD meetings. It is a belief of BOD that risk management and internal control systems in 2023 have operated effectively.

As a yearly activity, BOD evaluates its capital resources, its capital structure of PVCFC to ensure appropriateness with the company's long-term business strategy as well as risk appetite identified by the company. BOD believes that structure of current capital and debt is appropriate with the above-mentioned content and this helps PVCFC prepare for any possibly adverse situations in the future.

Carrying out information disclosure in a full, accurate and timely manner as stipulated without being fined or reminded.

The Company recorded no information/conviction related to insider trading incidents involving insiders or employees of the Company in the last 3 years.

BOD has issued 3-year board meeting agenda (2024-2026) which clearly identify board meeting agenda contents in BOD meetings for each month.

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

OPERATIONS OF COMMITTEES UNDER BOD

In 2023, as stipulated at operation regulations, committees under BOD have implemented activities as follows:

OPERATIONS OF AUDIT & RISK MANAGEMENT COMMITTEE

Audit & Risk Management Committee has implemented its supervisory roles: (i) monitoring operations of BOD through meetings, discussions, measures of issuance of resolutions of BOD; (ii) supervising operations of Executive Board through complying with resolutions/decisions of BOD as well as decentralization mechanisms between BOD and General Director; (iii) supervising through report channels and contacts with members of Executive Board, Chief Accountant, Internal Audit Division, Head of Legal and Compliance Division; (iv) supervising through report channels of independent audit unit.

- Apart from discussing, exchanging specific issues in a regular basis, Audit and Risk Management Committee, in 2023, has organized 04 meetings including: (i) dealing with material issues on risk management to provide comments and suggestions for Executive Board; (ii) evaluating implementation of internal audit of Internal Audit Division in business and production activities according to the approved plan.
- Considering & evaluating material risks; supervising management of material risks to ensure good management of material risks in line with risk appetite of the company; ensuring internal control activities supporting PVCFC to well manage risks detected.
- Approving internal audit procedures through each audit reporting, approving directive on implementation of recommendations of Internal Audit Division, directing EB to organize implementation of recommendations of Internal Audit Division, working out solutions to handle recommendations, proposals of Internal

Audit Division and evaluating operational efficiency of internal audit on a yearly basis.

- Supporting BOD to update and approve risk management regulations, internal audit regulations. Audit & Risk Management Committee bears the responsibilities of proposing organizational structure of Internal Audit Division on appointing, dismissing positions of head of Internal Audit Division and submitted to BOD.
- Audit & Risk Management Committee has reported to BOD one evaluation on implementation of audit and risk management of PVCFC in 2023 on various aspects: (i) Remuneration, operating costs another interests of Audit & Risk Management Committee and each member of Audit & Risk Management Committee; (ii) summarizing meetings conclusions and recommendations of Audit & Risk Management Committee; (iii) supervising independent audit and financial statement, operational and financial situations of the company; (iv) monitoring transactions with related parties including: evaluating transactions between the company, subsidiaries, other companies where PVCFC holds over 50% of charter capital with BOD members, General Director, executive directors of enterprises and related parties; (v) transactions between the Company and companies in which BOD member, General Director, executive directors of enterprises are founding members or business managers in the latest 3 years before implementing transactions; (vi) evaluating internal control system, internal audit and risk management; (vii) evaluating coordination between Audit & Risk Management Committee with BOD, General Director and shareholders; (viii) operational plans of the Committee in 2024.

Results of supervision and evaluations

- Supervising with independent audit unit: audit committee is assigned the job of supervising independency of external auditor unit including evaluation of non-audit services and reporting to BOD. In 2023, external auditor unit has provided non-audit services with service fees as follows:
Audit service fee: 927.8 million VND (VAT included)
Non-audit service fee: 333,7 million VND
- Monitoring of financial reports and financial situation of the Company: The Company's financial report is prepared based on accounting standards and current accounting regime, fully, truthfully, and reasonably reflecting the essential aspects of the Company's financial situation. Financial situations and financial assessment indicators of Parent Company are healthy, ensuring payment ability, preserving and developing capital.
- The coordination of the Auditing and Risk Management Committee's activities with those of the BOD, General Director, and shareholders is closely based on the principles of transparency, clarity, compliance with legal regulations, and company regulations to ensure the balanced interests of the company and its shareholders.
- The Committee has received cooperation and support from the BOD and EB in carrying out its duties.

THE HUMAN CAPITAL AND COMPENSATION COMMITTEE

In addition to regular discussions on specific issues, in 2023, the Human Capital and Compensation Committee held 02 meetings and evaluated and reported to the BOD on issues related to governance, human capital and remuneration.

In 2023, the Committee has implemented tasks stipulated at Regulations of issuance according to Decision No 1733 QD/PVCFC dated August 4 2021 of BOD, specifically:

- Reviewing and evaluating corporate governance policy and supervising implementation of corporate governance. PVCFC has step by step digitalized many stages in its management, business and production systems, technical support system. These efforts have made effective contributions to business and production management.
- Supervising compliance with corporate governance policy (Handbook) and Code of Ethics of the Company. Corporate governance policies and Code of Ethics

are closely monitored by Human Capital and Compensation Committee to ensure compliance.

- Advising, consulting BOD on fields of organization, human resource, salary and bonus and other policies of the company. Human Capital and Compensation Committee advises BOD on senior personnel for Executive Board and BOD.
- Reviewing, evaluating remuneration and bonus related issues, policies for executive and management boards, management officers before being submitted to BOD for consideration and decision making.
- Supervising management of salary, remuneration plan and welfare policy of the Company.
- Reviewing contents related to salary, bonus policy, policies included in annual report of the Company.
- Evaluating Board, Board's members, Board's Committees and members of Board's Committees in 2023.

ESG COMMITTEE

Based on an orientation of building sustainable development framework and strategy, BOD has established ESG working group led by BOD member - Mr. Nguyen Duc Hanh. In March 2024, ESG Committee was officially established, BOD member - Mr. Nguyen Duc Hanh took the role of Committee Chairman to implement upcoming plans on ESG.

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

OPERATIONS OF EACH MEMBER OF BOD

BOD has assigned the jobs for each member of BOD in each specific field. Accordingly, each BOD member has proactively planned their work. On a periodical basis, each BOD member inspected, supervised and urged executive board to implement Resolutions/Decisions of BOD, proactively exchanged and discussed to promptly set up business and production plans, specifically:

No.	BOD member	Position	Fields of responsibility
1	Mr. Tran Ngoc Nguyen	BOD Chairman	Performing functions, duties and rights of BOD chairman according to the Company's charter and current legal documents, being responsible to General Meeting of Shareholders on operations of BOD according to the Company's charter. Supervising and directing overall implementation of activities under authority of BOD including: construction, implementation and supervision of the Company's development strategies.
2	Mr. Van Tien Thanh	BOD member - General Director	Performing functions, duties of BOD member/General Director according to the regulations of the Law and the Company's charter. Being responsible to General Meeting of Shareholders and regulations of the law on management of business and production activities. Being responsible for effectively implementing resolutions, decisions of BOD.
3	Mr. Tran My	Non-executive Director	Supervising and directing implementation of activities under authority of BOD in related fields: planning, investment, insurance, shareholder relations, internal affairs office under BOD and other duties at Committees: Audit & Risk Management Committee, and Human Capital and Compensation Committee.

No.	BOD member	Position	Fields of responsibility
4	Mr. Nguyen Duc Hanh	Non-executive Director	Supervising and directing implementation of activities under authority of BOD in related fields: business, marketing, IT, trade and service, training, social security, corporate culture, unions, construction of corporate governance system according to good governance practices/pioneering practices of BOD. Being in charge of construction and implementation of ESG practices including climate change. Since establishment of ESG Committee, Mr. Hanh has also played the role of Chairman of ESG Committee.
5	Mr. Le Duc Quang	Non-executive Director	Supervising and directing implementation of activities under authority of BOD in related fields: operation of Ca Mau Fertilizer Plant, factories of PPC-subsiary, environment security, safety and health, firefighting and prevention, economic-technical norms, ISO, legal affairs, compliance and implementation of other duties at Audit & Risk Management Committee.
6	Mr. Truong Hong	Independent Director	Supervising and directing implementation of activities under authority of BOD in related fields: R & D (Research and Development). Chairman of Human Capital Management and Compensation Committee.
7	Ms. Do Thi Hoa	Independent Director	Supervising and directing implementation of activities under authority of BOD in related fields: Finance-Accounting, auditing, internal control, inspection and supervision, risk management. Chairman of the Audit and Risk Management Committee.

During the period of resignation of Mr. Tran My - non-executive Director - (from August 1 2023), works and duties of Mr. Tran My was assigned for Mr. Nguyen Duc Hanh - non-executive Director.

All BOD members, on the basis of assigned duties, have excellently performed their roles and responsibilities, contributing to excellent performances of PVCFC to achieve planned targets of 2023 assigned by the General Meeting of Shareholders.

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

OPERATIONS AND ASSESSMENT RESULTS OF INDEPENDENT DIRECTORS ON OPERATIONS OF BOD

REGARDING THE ACTIVITIES OF INDEPENDENT DIRECTORS

- Independent Directors have effectively fulfilled their roles in checking and representing the business operations of the company, performing their functions and tasks correctly to ensure the common interests of the Company and its shareholders.
- Independent Directors of PVCFC have fully participated in meetings and contributed opinions and votes to the decisions of the BOD. The contributions of Independent Directors in their assigned areas in 2023 have demonstrated their roles, responsibilities, objectivity, and independence.
- As Chairmen of Audit & Risk Management Committee and Human Capital and Compensation Committee, Independent Directors have excellently performed their duties and responsibilities.

ASSESSMENT OF INDEPENDENT DIRECTORS ON OPERATIONS OF BOD

- BOD has built operational plans, assigning specific fields to each BOD member according to functions, duties; motivating and upholding knowledge, experience of each member and creating favorable conditions for independent Directors to fully carry out their rights and obligations.
- Operations of BOD have been complied with corporate governance principles as stipulated at the Law on Enterprise, the Company's charter, internal governance regulations, operational regulations of BOD and other regulations of the Law.
- BOD has fully complied with governance regulations of public company, ensuring favorable conditions for independent Directors to fully carry out their rights and obligations.
- BOD has well performed its role of inspection, supervision of management of business and production activities of the Company. Inspection and supervision are regularly and closely implemented ensuring compliance with current regulations. BOD has regularly updated, adjusted decentralization for the Executive Board to limit its participation in specific activities, supporting the Executive Board to focus more on supervision and orientation activities.
- BOD frequently reviews, updates target and plans to ensure appropriateness with the Company' development strategy, building longer-term strategies to promote the company's sustainable development.
- BOD also focuses on improving governance capacity by hiring consultancy companies (IFC, Deloitte, CGS, etc.) to evaluate corporate governance, building a roadmap toward good governance practices, step by step building sustainable development framework and strategy and ESG practices.
- BOD, EB and Supervisory Board have coordinated to work out timely solutions to ensure thorough business and production activities and achieve the highest results.

PERFORMANCE EVALUATION OF BOD

PERFORMANCE EVALUATION OF BOD/EB AND MEMBERS

BOD has built evaluation criteria of performance of BOD. Members of BOD carried out an evaluation process and the Secretary summarized the evaluation results. At the BOD meeting in December 2023, BOD has conducted evaluation and agreed on effective performance of BOD in 2023.

Performance evaluation criteria of BOD has been built by good corporate practices with 5 components including:

01 AUTHORITY AND GENERAL INFORMATION WITH 8 CRITERIA

Integrity, vision expertise, mission, strategy, supervision result evaluation of General Director and Executive Board, etc.

02 BOD COMPOSITION WITH 6 CRITERIA

Structure of BOD, types of coordination between members aligning with good governance practices and corporate culture, etc.

03 STRUCTURE OF COMMITTEES WITH 4 CRITERIA

Number of committees, structure and performance of committees, etc.

04 WORKING REGULATIONS WITH 13 CRITERIA:

Operating procedures of BOD; schedule compliance, document provision; operational performance of Executive Board; transparency evaluation of financial statements and risk management, etc.

05 OBLIGATIONS AND RESPONSIBILITIES WITH 5 CRITERIA

Implementation of obligations and responsibilities of BOD/BOD members.

In order to evaluate each member of BOD and Executive Board and other key officers under authority of BOD, the Company has issued personnel management regulations to evaluate each member of BOD, Executive Board and key officers under authority of BOD.

The basis of evaluation is based on balance between short-term factors including yearly business performance with long-term factors, financial and non-financial performance indicators consisting of the following groups of factor: (i) performance of duties and responsibilities (quality, quantity, progress, work performance in each position, time and sense of responsibility); (ii) political attitude and ethics, lifestyle; (iii) trends of prospects in career development.

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

PERFORMANCE EVALUATION OF BOD (CONTINUED)

PERFORMANCE EVALUATION OF BOD/EB AND MEMBERS (CONTINUED)

Specific evaluation:

- BOD members have seriously implemented all approved regulations such as corporate governance regulations, operating regulations, coordination regulations between Standing Committee of the Company's party committee, BOD and General director, compliance with regulations of the Law and the Company's charter.
- BOD has reviewed, updated and submitted to General Meeting of shareholders for approving amendments of the company's charter, internal corporate governance regulations, operating regulations of BOD; amending, supplementing Gas Purchase and Sales Contract with Vietnam Oil and Gas Group appropriate with current regulations according to good governance practices; issuing regulations, mechanisms, decisions under authority of BOD appropriate with actual situations, work requirements, agreeing on development orientations to create the most favorable conditions for Executive Board to manage all operational aspects, building a stronger company.
- The Board of Directors has issued regulations on management of conflicts of interests and transactions with related parties; Regulation of Whistleblowing, Code of Conduct and published on the Company's information portal.
- BOD has appointed Mrs. Do Thi Hoa as lead independent Director in charge of managing independent Directors to enhance independence, avoid abuse of power and prevent potential conflicts of interests. The lead independent Director is responsible for:
 - Acting as an intermediary between Chairman and other BOD members when necessary;
 - Convening and chairing meetings of non-executive members of BOD
 - Participating in evaluation of work performance of BOD chairman on demand.
- BOD and consulting units have evaluated the effectiveness of corporate governance to improve governance capacity; building corporate governance toward sustainability based on ESG criteria; establishing a working group in charge of building ESG framework and strategy. In March 2023, BOD established the ESG Committee.
- Based on assigned tasks, BOD members have proactively planned and seriously implemented their rights and duties; frequently discussing contents and direction at work, reviewing and updating operating plans of BOD, ensuring appropriateness with practical corporate governance situation.
- Closely monitoring operational activities of the company, contributing opinions, discussing with the General Director on rights and duties of BOD.
- Corporate governance must be in line with internal corporate governance regulations, the Company's charter and operating regulations of BOD. BOD chairman and its members frequently monitor and urge serious implementation of resolutions of the General Meeting of Shareholders, resolutions/decisions of BOD, supervising and directing management tasks of the General Director.



- Organizing annual General Meeting of Shareholders in accordance with regulations and issuing related resolutions for the Executive Board.
- BOD has reviewed and ensured appropriateness with the Company's development strategy. According to amendments of operating regulations of BOD in July 2023, BOD has specifically decided to consider and review its development strategy once every 6 months.
- In 2023, BOD evaluated that members of BOD/Executive Board and other key officers have well/excellently performed their tasks.

EVALUATION OF PERFORMANCE OF COMMITTEES

On a yearly basis, BOD approves operational plans of Committees under BOD. The Committees implement their tasks according to the approved plans. At year end, based on the operational performance and task completion level, BOD evaluates performance of the Committees. In 2023, the Audit & Risk Management Committee, Human Capital and Compensation Committee were highly valued for performing well.

EVALUATION OF PERFORMANCE OF INTERNAL AUDIT DIVISION

Given the opinions of the Audit and Risk Management Committee, BOD approves the operational plan of Internal Audit Division y-o-y (approving 3-year plan from 2023). The Internal Audit Division implements its tasks according to the approved plans. Based on operational performance, BOD evaluates the operational performance of the Internal Audit Division. In 2023, the Internal Audit Division was highly valued by well performing its tasks.

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

RESOLUTIONS/DECISIONS OF BOD ISSUED IN 2023

In 2023, BOD received 67 written proposals of General Director, issued 86 resolutions/decisions related to all operational aspects of PVCFC for the General Director, some important resolutions/decisions are as follows:

No.	Number	Date	Content
1	12/NQ-PVCFC	03/01/2023	Resolution on approving 2023 business and production plan of PetroVietnam Packaging JSC
2	120/NQ-PVCFC	17/01/2023	Resolution on human resource of Internal Audit Division
3	129/NQ-PVCFC	18/01/2023	Resolution of BOD meeting on January 16 2023
4	130/NQ-PVCFC	18/01/2023	Resolution on approving contents of the Contract of “supplying chemical for urea production”
5	161/NQ-PVCFC	02/02/2023	Resolution of BOD meeting in January 2023
6	178/NQ-PVCFC	07/02/2023	Resolution on approving 2023 business ad production plan of PVCFC
7	204/QĐ-PVCFC	10/02/2023	Decision on approving and issuing the Regulation of whistleblowing of PVCFC
8	360/NQ-PVCFC	27/02/2023	Resolution of BOD meeting in February 2023
9	481/NQ-PVCFC	14/03/2023	Resolution of BOD meeting in March 2023
10	483/QĐ-PVCFC	14/03/2023	Decision on approving Contract/Transaction with related persons of PVCFC
11	495/NQ-PVCFC	14/03/2023	Resolution on extending time of organizing the Annual General Meeting of Shareholders in 2023
12	592/NQ-PVCFC	22/03/2023	Resolution of BOD meeting dated March 20, 2023
13	603/QĐ-PVCFC	22/03/2023	Decision on approving and issuing risk management regulations of PVCFC
14	1145/QĐ-PVCFC	12/05/2023	Decision on issuing 2023 action plan of BOD of PetroVietnam Ca Mau Fertilizer JSC
15	1161/NQ-PVCFC	15/05/2023	Resolution of BOD meeting dated May 05, 2023
16	1166/QĐ-PVCFC	15/05/2023	Decision on re-appointing officer (Mr. Van Tien Thanh)

No.	Number	Date	Content
17	1167/QĐ-PVCFC	15/05/2023	Resolution on human resource of PPC
18	1168/NQ-PVCFC	15/05/2023	Decision on approving the agenda and documents of the Annual General Meeting of Shareholders of PVCFC in 2023
19	1283/QĐ-PVCFC	29/05/2023	Decision on approving value chain, regulation framework, plan on updating, amending, supplementing documents under authority of BOD
20	1291/QĐ-PVCFC	29/05/2023	Decision on temporarily approving 5-year plan (2021-2025) of PVCFC
21	1343/QĐ-PVCFC	01/06/2023	Decision on convening personnel and assigning tasks at the Annual General Meeting of shareholders in 2023 of PVCFC
22	1377/NQ-PVCFC	05/06/2023	Resolution on human capital of PPC and PVCFC
23	1450/NQ-PVCFC	09/06/2023	Resolution of BOD meeting in June 2023
24	1453/QĐ-PVCFC	09/06/2023	Decision on finalizing investment capital for completed projects - NPK project
25	1473/QĐ-PVCFC	13/06/2023	Decision on issuing internal audit regulations
26	1666/QĐ-PVCFC	30/06/2023	Decision on approving list of credit organizations and deposit limit from July 1 2023 to end of June 30 2024 of PVCFC
27	1799/NQ-PVCFC	17/07/2023	Resolution of BOD meeting in July 2023
28	1800/QĐ-PVCFC	17/07/2023	Decision on paying cash dividends to shareholders in 2022
29	1823/QĐ-PVCFC	18/07/2023	Decision on amending, issuing operational regulations of BOD
30	1824/QĐ-PVCFC	18/07/2023	Decision on amending, issuing internal corporate governance regulations
31	1983/QĐ-PVCFC	02/08/2023	Decision on assigning roles, responsibilities and special assignments of BOD
32	2278/NQ-PVCFC	31/08/2023	Resolution of BOD meeting in August 2023
33	2304/QĐ-PVCFC	06/09/2023	Decision on establishing a Coordination Team in charge of implementing ASEAN corporate governance scorecard
34	2352/QĐ-PVCFC	12/09/2023	Resolution on issuing document management regulations
35	2480/NQ-PVCFC	28/09/2023	Resolution of BOD meeting in September 2023



STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

RESOLUTIONS/DECISIONS OF BOD ISSUED IN 2023 (CONTINUED)

No.	Number	Date	Content
36	2600/QĐ-PVCFC	11/10/2023	Decision on issuing information disclosure regulations
37	2681/QĐ-PVCFC	19/10/2023	Decision on issuing operational and organizational regulations of Branch of PetroVietnam Ca Mau Fertilizer JSC - R & D Center
38	2686/QĐ-PVCFC	20/10/2023	Decision on approving business and production plan of PVCFC by 2025
39	2687/NQ-PVCFC	20/10/2023	Resolution of BOD meeting in October 2023 of BOD
40	2703/QĐ-PVCFC	23/10/2023	Decision on issuing marketing management regulations
41	2765/NQ-PVCFC	27/10/2023	Resolution on organizing the extraordinary General Meeting of Shareholders 2023
42	2766/QĐ-PVCFC	27/10/2023	Resolution on establishing Council of Whistleblowing of PetroVietnam Ca Mau Fertilizer JSC
43	2997/NQ-PVCFC	24/11/2023	Resolution of BOD meeting in November 2023
44	3008/NQ-PVCFC	27/11/2023	Resolution on approving restructuring plan of PetroVietnam Ca Mau Fertilizer JSC by 2025
45	3009/QĐ-PVCFC	27/11/2023	Decision on approving plans of Extraordinary General Meeting of Shareholders 2023 of PetroVietnam Ca Mau Fertilizer JSC
46	3014/QĐ-PVCFC	27/11/2023	Decision on establishing Board of implementation and Construction of Sustainable Development Strategy and Orientation of PetroVietnam Ca Mau Fertilizer JSC
47	3113/NQ-PVCFC	06/12/2023	Resolution on approving contents, documents of Extraordinary General Meeting of Shareholders

No.	Number	Date	Content
48	3234/NQ-PVCFC	18/12/2023	Resolution on approving business and production plan in 2024 of PVCFC
49	3306/QĐ-PVCFC	20/12/2023	Decision on re-appointing Mrs. Nguyen Thi Hien as Deputy General Director
50	3397/NQ-PVCFC	26/12/2023	Resolution of BOD meeting in December 2023
51	3405/NQ-PVCFC	27/12/2023	Resolution on approving 3-year operational plan 2024-2026 of PVCFC's BOD
52	3406/NQ-PVCFC	27/12/2023	Resolution on adjusting 2023 plan targets of PVCFC
53	3407/QĐ-PVCFC	27/12/2023	Decision on adjusting, supplementing staffing management plan by 2025 and 2026-2031
54	3413/QĐ-PVCFC	27/12/2023	Decision on issuing business management regulations
55	3420/QĐ-PVCFC	27/12/2023	Decision on approving 3-year audit plan 2024-2026
56	3473/QĐ-PVCFC	29/12/2023	Decision on approving and issuing "Economic-technical norms" of PetroVietnam Ca Mau Fertilizer JSC

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

COORDINATION BETWEEN BOD, SUPERVISORY BOARD, EXECUTIVE BOARD WITH OTHER MANAGEMENT STAFF

- BOD, Supervisory Board and Executive Board and other management staff of PVCFC continue maintaining a close coordination based on principles of flexibility and adaptability, ensuring benefits of the company, shareholders, employees and related parties.
- Given its rights and responsibilities, BOD has issued regulations/mechanisms on all operational aspects for the General Director to implement. In the working process, BOD has discussed, exchanged and agreed with the General Director to promptly approve, adjust and update documents proposed by the General Director on ensuring a continuous development and stability of business and production.
- Resolutions of BOD assigned to the General Director are inspected and supervised by BOD. BOD has organized meetings with EB to build, adjust business and production targets aligning with each period.
- BOD and General Director always maintain a close management - e executive relationship and implement in accordance with the company's charter and regulations on corporate governance.
- The General Director, on a quarterly basis, sends financial statements to BOD. BOD regularly directs the General Director to implement audits, evaluating financial statements as stipulated to timely support the process of decision-making of the General Meeting of Shareholders.
- The General Director, regarding inspection and supervision, creates favorable conditions, promptly allocates personnel to coordinate and provide documents for BOD and Supervisory Board to perform their supervisory roles.
- Apart from inspecting, supervising the process of drafting, issuing regulations/mechanisms on business and production activities, Supervisory Board has participated in consulting, contributing opinions to make it appropriate with actual situation.
- The Supervisory Board is invited to attend BOD meetings to evaluate implementation of orientations, strategies, establishing orientations, outlining strategic solutions as a basis for implementation.
- The Supervisory Board has coordinated with BOD, Executive Board to propose related units to carry out independent audit, financial statement in 2023 to submit to the General Meeting of Shareholders for approval; successfully organizing the annual General Meeting of Shareholders 2023.

REMUNERATION, OPERATING EXPENSES AND OTHER BENEFITS OF BOD AND EACH MEMBER OF BOD

- Details of remuneration of BOD are included in report on salary, bonus, remuneration and other benefits of Executive Board.
- Administrative expenses and other related expenses of BOD are in compliance with regulations of the company and accounted in general and administrative expenses of the Company.

CORPORATE GOVERNANCE TRAINING

- All members of BOD, Executive Board, Supervisory Board, Corporate Secretary, persons in charge of corporate governance and related departments are entitled to training courses, programs of updating new regulations on corporate governance.
- Each newly-appointed BOD member is entitled to induction training programs with basic contents including: culture, goal, business model, corporate strategic orientation. New members of BOD are entitled to in-depth training programs on corporate governance such as Director Certification Program (DCP)-VIOD. BOD, Executive Board has sent representatives to training courses, seminars on corporate governance, good governance practices in the region and around the world, updating new regulations of Enterprise Law, Law on securities, Degrees, Circulars co-organized by HCMC Stock Exchange, VIOD, etc.
- BOD has approved orientation training plan for Mr. Nguyen Duc Thuan - BOD member - who was appointed on January 1- 2024 including training programs: culture, goal, business model and corporate strategic orientation; certified BOD member; ESG awareness and practices.

Corporate governance Training programs in 2023

- Good corporate governance practices go beyond compliance - Creating sustainable development value from breakthrough leadership thinking
- Talk on “How to uphold corporate culture in corporate governance”
- BOD member certification
- BOD culture and cultural governance
- “Enterprise Value Map (EVM) - Linking strategy value”
- 6th annual forum on “Unleashing the power of green finance and governance”
- Seminar on M&A transaction process
- Human resource capacity model
- Overview of ESG and issues raised by PVN and member units of course 1
- Advanced digital transformation

STRUCTURE AND ACTIVITIES OF THE SUPERVISORY BOARD

MEMBERS AND STRUCTURE OF THE SUPERVISORY BOARD

No.	Full name	Title	Date of starting/of no longer being member of Supervisory Board		Shares ownership ratio at period closing
			Date of appointment	Dismissal date	
1	Ms. Phan Thi Cam Huong	Head of Supervisory Board	09/01/2015		0.000038%
2	Mr. Do Minh Duong	Supervisor	27/04/2021		0.000378%
3	Mr. Tran Van Binh (*)	Supervisor	27/04/2021	12/06/2023	0.000002%
4	Mr. Le Canh Khanh (**)	Supervisor	12/06/2023		0.000000%

(*), (**) On June 12, 2023, at the Annual General Meeting of Shareholders, the Annual General Meeting of Shareholders has dismissed Mr. Tran Van Binh as supervisor and appointed Mr. Le Canh Khanh as the company's supervisor.

OPERATIONS OF SUPERVISORY BOARD

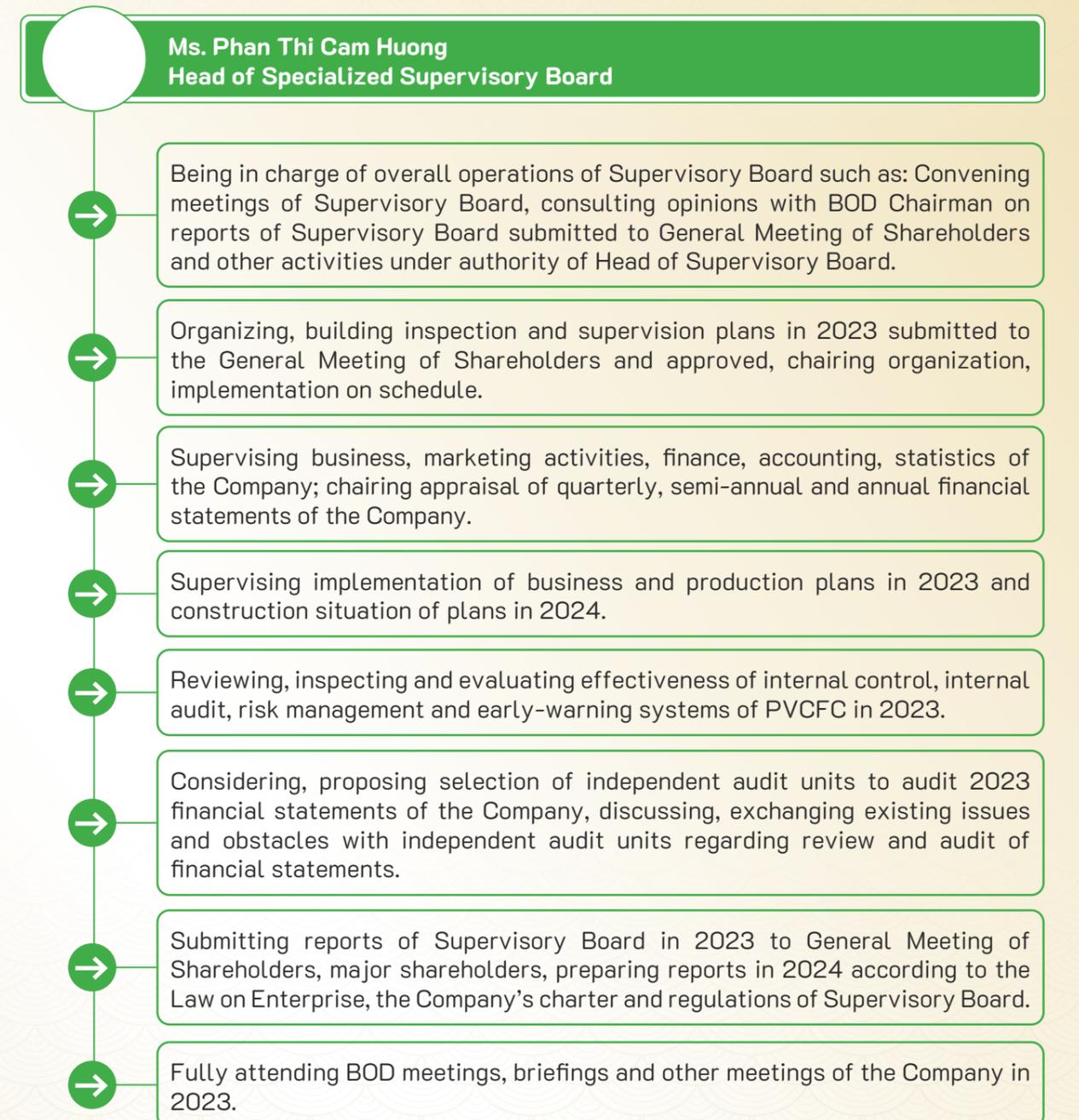
Based on operational regulations and plan of Supervisory Board approved by General Meeting of Shareholders at the annual General Meeting of Shareholders in 2023, some of typical activities of Supervisory Board as follows:

- Supervisory Board has proactively implemented inspection and supervision of management of BOD, EB; inspecting and supervising compliance with regulations of the Law, the company's charter, resolution of General Meeting of Shareholders, regulations and mechanism of the company; inspecting and supervising implementation of business and production activities, finance, investment, etc. Implementing its responsibilities and rights in a honest, cautious manner, complying with regulations of the Law, the Company's charter, and operational regulations of the Supervisory Board.
- Inspection, supervision are implemented by reviewing, analyzing, evaluating and contributing opinions and recommendations to documents, regulations submitted to BOD for approval; supervising investment, construction and implementing strategic orientations, business and production plans by attending meeting, seminars and studying related reports; appraising business and production reports and quarterly, semi-annual and annual financial statements in a cautious, honestly and objective manner; implementing specialized inspections at functional divisions, affiliated units and affiliates of the company; supervising implementation of recommendations of inspection groups; fully attending BOD meetings, briefings and other related meetings of the Company.
- On the basis of inspection, supervision of actual operational situations at the above-mentioned unit, Supervisory Board has carried out specific assessments on operational performance, timely detecting errors, limitation, frauds and potential risks to provide early warnings, contributing opinions, recommendations to BOD, General Director regarding operational and management of business and production activities.

Given proactive inspection and supervision according to the Resolution of the General Meeting of Shareholders, the Supervisory Board in 2023 has excellently performed its operational plan approved by the General Meeting of Shareholders.

OPERATION OF EACH MEMBER OF SUPERVISORY BOARD

Supervisory Board includes 03 members, supervisors carry out their responsibilities, tasks independently based on specific tasks assigned as follows:



STRUCTURE AND ACTIVITIES OF THE SUPERVISORY BOARD

OPERATIONS OF SUPERVISORY BOARD (CONTINUED)

Mr. Do Minh Duong
Supervisor

- Supervising investment work; human resource, training, salary and policy of the Company.
- Setting up appraisal reports, quarterly semi-annual and annual financial statements.
- Setting up appraisal report on salary fund implemented in 2023.
- Setting up periodical report of Supervisory Board, report of PVN as required according to regulations of Enterprise Law and the Company's charter.
- Participating in inspection of Divisions/Departments/Units under the plan of the Supervisory Board or coordinating with Internal Audit Division, related divisions; collecting opinions of members at inspections, setting up minutes of inspection under scope of work assigned in accordance with 2023 plan.
- Participating in supervision of year-end inventory count.
- Supervising implementation of recommendations of inspection groups on the basis of scope of work assigned.



Mr. Tran Van Binh
Supervisor (resigned from June 12 2023)

- Supervising implementation of procurement and operational management of the Plant from January 1 to June 12 2023.
- Supervising science and technology fund and implementing R & D.
- Making report of Supervisory Board and submitting to General Meeting of Shareholders, PVN or other major shareholders on demand according to regulations of Enterprise Law and the Company's charter from January 1 to June 12 2023.
- Reviewing/recommending contract, transaction with related persons under approval authority of BOD or General Meeting of Shareholders and information disclosure on related persons and transaction of related persons from January 1 to June 12 2023.
- Supervising implementation of recommendations of inspection groups on the basis of scope of work assigned.

Mr. Le Canh Khanh
Supervisor (appointed on June 12 2023)

- Inspecting science and technology fund and implementing R & D.
- Supervising and joining in the process of inspection of financial situation, preservation and development of capital of a subsidiary in Bac Lieu (PPC).
- Participating in inspection of year-end inventory count.

Comment: *Members of Supervisory Board have made efforts and proactively implemented their responsibilities, tasks, timely proposing suggestions and recommendations within the scope of assigned tasks, excellently performing assigned tasks, complying with provisions of the Law on Enterprise, the Company's charter and operational regulations of Supervisory Board.*

STRUCTURE AND ACTIVITIES OF THE SUPERVISORY BOARD

MEETINGS OF SUPERVISORY BOARD

In 2023, Supervisory Board has organized seven (7) meetings to approve some issues such as: approval of reports submitted to General Meeting of Shareholders; appraisal of financial statements, evaluation of business and production situation; construction and implementation of operational plan of Supervisory Board; inspection plan at branches, affiliated units, functional divisions and approval of inspection results; assignation of tasks for Supervisory Board.

THE MEETINGS OF SUPERVISORY BOARD

No.	Members	Position	Attending meetings	Ratio	Reason for not attending
1	Ms. Phan Thi Cam Huong	Head of Supervisory Board	7/7	100%	
2	Mr. Do Minh Duong	Supervisor	7/7	100%	
3	Mr. Tran Van Binh	Supervisor	4/4	100%	Dismissed on June 12, 2023
4	Mr. Le Canh Khanh	Supervisor	3/3	100%	Appointed on June 12, 2023



RESULTS OF THE SUPERVISORY BOARD MEETINGS

No.	Date	Content	Conclusion/evaluation	Attendance rate	Voting rate
1	06/01/2023	Assigning tasks for members of Supervisory Board	Re-assigning tasks of each member of Supervisory Board appropriate with actual situations of the Company.	3/3	3/3
2	17/03/2023	Appraising business and production situation and financial statement in 2022	In 2023, targets of production, consumption, overall revenue and payment to the State's budget was higher than the plan; financial situation was healthy, preserving and developing capital.	3/3	3/3
		Appraising salary fund implemented in 2023	Salary/remuneration fund, bonus fund in 2023 was determined on the basis of employment situation and 2023 plan targets; salary, bonus and settlement deduction and payment are implemented according to current regulations.	3/3	3/3
		Approving draft report of Supervisory Board and submitted to annual General Meeting of Shareholders; proposing selection of audit unit of 2023 financial statement	Agreeing and approving contents of draft report submitted to annual General Meeting of Shareholders and independent audit unit to audit 2023 financial statement.	3/3	3/3
		Coordination plan of auditing Sales Division with Internal Audit Division	Agreeing on audit implementation	3/3	3/3
		Sending personnel to review settlement documents of NPK project as proposed by BOD	Agreeing on sending 02 supervisors attending verification team to review settlement documents as stipulated.	3/3	3/3

STRUCTURE AND ACTIVITIES OF THE SUPERVISORY BOARD

MEETINGS OF SUPERVISORY BOARD (CONTINUED)

RESULTS OF THE SUPERVISORY BOARD MEETINGS (CONTINUED)

No.	Date	Content	Conclusion/evaluation	Attendance rate	Voting rate
3	23/03/2023	Approving draft report of Supervisory Board and submitted to General Meeting of Shareholders; proposing selection of audit unit of 2023 financial statement	Agreeing and approving contents of draft report submitted to General Meeting of Shareholders and independent audit unit to audit 2023 financial statement (evaluating the independence and effectiveness of independent audit).	3/3	3/3
4	29/05/2023	Appraising business and production situation and financial statement in Q.1 2023	In Q,1 2023, the Company has excellently performed and exceeded its targets of production, consumption, overall revenue and payment to the State's budget; financial situation was healthy, preserving and developing capital.	3/3	3/3
		Supplementing reporting contents of Supervisory Board and submitted to annual General Meeting of Shareholders.	Agreeing on supplementing contents of "compliance evaluation with regulations on approval and implementation of transactions between the Company and related persons" and reporting to Supervisory Board.	3/3	3/3
5	29/06/2023	Resignation of members of Supervisory Board	Accepting resignation letter of Mr. Tran Van Binh and reporting to General Meeting of Shareholders for approval.	3/3	3/3
		Assigning tasks for members of Supervisory Board	Re-assigning missions of each member of the Supervisory Board based on voting results at the Annual General Meeting of Shareholders dated June 12 2023.	3/3	3/3
		Implementing operational plan of Supervisory Board in the last 6 months of 2023	Agreeing on operational contents of Supervisory Board in the last 6 months of 2023	3/3	3/3
		Implementing inspection/supervision plan at affiliated units	Agreeing with a detailed inspection/supervision plan of affiliated units	3/3	3/3

No.	Date	Content	Conclusion/evaluation	Attendance rate	Voting rate
6	12/10/2023	Appraising business and production situation and audited 2023 mid-year financial statement	In the first 6 months of 2023, targets of production, consumption, payment to the State's budget and investment exceeded the plan; revenue and profit were lower than the plan due to a decline in average selling price; financial situation was healthy, preserving and developing capital.	3/3	3/3
		Appraising operations of Supervisory Board in Q.3 2023 and implementing operational plan of Supervisory Board in the last 3 months of 2023	Agreeing with the operational performance of Supervisory Board in Q.3 2023 and operational plan in the last 3 months of 2023	3/3	3/3
		Implementing inspection/supervision plan of operations of PetroVietnam Packaging JSC	Agreeing on approving a detailed inspection plan of PetroVietnam Packaging JSC	3/3	3/3
7	08/12/2023	Appraisal of business and production situation and financial statement in Q.3 2023	In Q.3 2023, PVCFC completed and exceeded its targets of production output, consumption, overall revenue and contributions to the State's budget, revenue and profit lower than the plan due to a decline in average selling price; financial situation was healthy, preserving and developing capital.	3/3	3/3
		Implementation results of operational plan 2023 of Supervisory Board	Agreeing with the results of implementing operational plans in 2023 of Supervisory Board approved by General Meeting of Shareholders	3/3	3/3
		Detailed inspection, supervision plan of Supervisory Board in 2024	Agreeing with the implementation of detailed inspection and supervision content and plans of Supervisory Board in 2024 and submit to General Meeting of Shareholders for approval at the Annual General Meeting of Shareholders 2024	3/3	3/3

SALARY, COMPENSATION - RELATED OPERATING EXPENSES AND OTHER BENEFITS OF SUPERVISORY BOARD AND SUPERVISORS

Salary, remuneration and operating expenses of each member of Supervisory Board are paid in compliance with the Company's regulations and approved by General Meeting of Shareholders. Total income of Supervisory Board in 2023 was 3.63 billion VND.

TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND SUPERVISORY BOARD

SALARY, REWARDS, REMUNERATION AND BENEFITS

PVCFC applies the best measures to identify BOD effectiveness through the BOD evaluation process. All BOD members are evaluated at least once a year to appraise their work performance as a governance entity and operational effectiveness of BOD to make appropriate adjustments.

- Full-time members of Executive & Management Boards are entitled to a salary, part-time members of Executive and Management Boards and Non-executive Directors are entitled to remuneration.
- Salary, remuneration of Executive & Management Boards is identified and paid based on business and production performance, management and executive and supervisory effectiveness of each member.
- On a yearly basis, BOD evaluates work performance of each member of Management and Executive Boards through self-evaluation of each member. Then, BOD organizes an official meeting for careful consideration to identify work performance, contribution and efforts made by each member of BOD in an accurate, full and objective manner.
- Evaluation results based on 3 levels in correspondence with the weighing system as bonus and salary formulation such as (1) Excellent performance: 1.20; (2) task completion: 1.00; (3) task non-completion: salary: 0.80 and bonus: 0.00. Evaluation of work performance of each member shall be considered and applied by BOD in upcoming appropriate time.
- Salary, remuneration, bonus and benefits paid to BOD in 2023 based on business and production performance reached 24.332 billion VND calculated based on the number of 17 members of BOD, Executive Board and Supervisory Board. Salary, remuneration, bonus and benefits paid to BOD shall be calculated and paid in correspondence to actual number of members, time in office and salary coefficient, remuneration for each title of management board, executive board and work performance that BOD members undertook including long-term factors such as compliance with regulations of the Law and social-environmental regulations.
- Remuneration of BOD members and members of Supervisory Board is fixed income. Nearly 90% of income of BOD and Supervisory Board is fixed, other 10% comes from bonus and other benefits.

Salary, remuneration, bonus and benefits of each BOD member paid in 2023 is as follows:

BOARD OF DIRECTORS AND BOARD OF SUPERVISORS

Unit: Million VND

No.	Full name	Position	Salary, remuneration	Bonus and benefits	Total	Notes
I. Board of Directors			8,903.70	1,138.48	10,042.17	
1.	Tran Ngoc Nguyen	BOD Chairman	1,916.85	300.65	2,217.50	
2.	Van Tien Thanh	BOD member General Director	1,916.85	300.65	2,217.50	
3.	Tran My	Non-executive Director	928.06	121.30	1,049.36	Until the end of July 2023
4.	Nguyen Duc Hanh	Non-executive Director	1,590.97	207.94	1,798.91	
5.	Le Duc Quang	Non-executive Director	1,590.97	207.94	1,798.91	
6.	Truong Hong	Independent Director	480.00	-	480.00	
7.	Do Thi Hoa	Independent Director	480.00	-	480.00	
II. Supervisory Board			3,350.33	275.17	3,625.51	
1.	Phan Thi Cam Huong	Head of Supervisory Board	1,511.90	158.09	1,669.98	
2.	Do Minh Duong	Supervisor	1,259.74	82.33	1,342.06	
3.	Tran Van Binh	Supervisor	531.92	34.76	566.69	From January 1 to June 12, 2023
4.	Le Canh Khanh	Supervisor	46.77	-	46.77	Since June 12, 2023
Total			12,254.03	1,413.65	13,667.68	

TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND SUPERVISORY BOARD

SALARY, REWARDS, REMUNERATION AND BENEFITS (CONTINUED)

EXECUTIVE BOARD AND CHIEF ACCOUNTANT

Unit: Million VND

No.	Full name	Position	Salary, remuneration	Bonus and benefits	Total	Notes
I.	Executive Board		7,954.83	1,039.71	8,994.53	
1.	Tran Chi Nguyen	Deputy General Manager	1,590.97	207.94	1,798.91	
2.	Le Ngoc Minh Tri	Deputy General Manager	1,590.97	207.94	1,798.91	
3.	Nguyen Tuan Anh	Deputy General Manager	1,590.97	207.94	1,798.91	
4.	Nguyen Thi Hien	Deputy General Manager	1,590.97	207.94	1,798.91	
5.	Nguyen Thanh Tung	Deputy General Manager	1,590.97	207.94	1,798.91	
II.	Chief accountant		1,511.90	158.09	1,669.98	
1.	Dinh Nhu Cuong	Chief accountant	1,511.90	158.09	1,669.98	
Total			9,466.72	1,197.79	10,664.51	

Note: Salaries and remunerations include: Monthly salaries and additional salaries paid in 2023 and expected to be spent in 2024 according to the source of the Salary and Remuneration Fund implemented in 2023 (temporarily calculated based on pre-audit data).

Bonuses and benefits include: bonus implemented in 2023 (temporarily calculated according to pre-audit data) is expected to be paid in 2024.

INSIDER TRADING

In 2023, Mr. Van Tien Thanh - BOD member cum General Director purchased 79,000 DCM shares, a number of shares hold after the transaction is 109,000 shares.

In addition, the Company, in 2023, received no information about other insider trading.

LIST OF RELATED PERSONS OF THE COMPANY AND TRANSACTIONS OF RELATED PERSONS OF THE COMPANY WITH THE COMPANY ITSELF

LIST OF RELATED PERSONS OF THE COMPANY

In 2023, there was no transaction carried out between the Company, its subsidiaries, other companies controlled by the Company with over 50% of charter capital and up with BOD members, General Director and related persons of these members; transactions between the Company with companies in which BOD members are founding members or business managers during at least 3 years before time of transactions carried out at PVCFC.

TRANSACTION BETWEEN THE COMPANY WITH RELATED PERSONS OF THE COMPANY; OR BETWEEN THE COMPANY WITH MAJOR SHAREHOLDERS, INSIDERS, RELATED PERSONS OF INSIDERS

The Company signs, amends, supplements purchase contracts with Vietnam Oil and Gas Group - the Company's major shareholder .

At the annual General Meeting of Shareholders 2023, the meeting has voted on amendments and supplements to purchase contract with Vietnam Oil and Gas Group - the Company's major shareholder (Vietnam Oil and Gas Group is not entitled to voting right to avoid conflicts of interests).

Names of organizations/ individuals	Transactional relationship with the Company	NSH Certificate No., Date of issue, place of issue	Address of head office/contact information	Time of transaction with the Company	No. Resolutions/ Decisions of General Meeting of Shareholders/ BOD, etc. approved (if any, clearly state date of issue)	Content, quantity, total transaction value
Vietnam Oil and Gas Group	Major shareholder 75.56%	0100681592, 24/06/2015,	18 Lang Ha, Thanh Cong Ward, Ba Dinh District, Ha Noi	05/10/2023	1492/NQ-PVCFC, 14/6/2023	

Transaction value with related persons of the Company (transaction with subsidiaries of Vietnam Oil and Gas Group - the Company's largest shareholder).

(Principles of contract, transaction with related persons approved by BOD, signed and issued by Mrs. Do Thi Hoa - independent Director, in which, BOD members - representatives of Vietnam Oil and Gas Group - are related party who is not allowed to vote to avoid conflicts of interests).



TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND SUPERVISORY BOARD

LIST OF RELATED PERSONS OF THE COMPANY AND TRANSACTIONS OF RELATED PERSONS OF THE COMPANY WITH THE COMPANY ITSELF (CONTINUED)

	From January 1, 2023 to December 31, 2023 (according to pre-audit Financial Statements)
Sales	
a. Subsidiary	22,400,000,000
PetroVietnam Packaging JSC	22,400,000,000
b. Other related parties	487,955,633
Petroleum Power Renewable Energy JSC	487,955,633
	22,887,955,633
Procurement of goods and services	
a. Vietnam Oil and Gas Group and its subsidiaries	4,612,476,290,909
Vietnam Oil and Gas Group	4,099,498,688,207
Branch of PetroVietnam Power Corporation -JSC-PetroVietnam Ca Mau Power Company	361,052,660,649
PetroVietnam Fertilizer and Chemical Corporation-JSC-Petrochemical business branch	127,929,716,919
Branch of PetroVietnam Gas Corporation-Ca Mau Gas Company	13,882,272,942
Petroleum College	9,408,682,192
Vietnam Petroleum Institute	509,020,000
Vietnam Petroleum University	195,250,000
b. Subsidiary	213,185,121,241
PetroVietnam Packaging JSC	213,185,121,241

	From January 1, 2023 to December 31, 2023 (according to pre-audit Financial Statements)
c. Other related parties	62,426,809,333
PVD Technical Training JSC	25,264,370,890
PetroVietnam Security Services JSC - Southwest Branch	16,078,667,942
Saigon Petroleum JSC	10,846,409,568
Petroleum Drilling, Trading & Technical Services JSC	7,511,994,000
HCMC Branch of Indochina Petroleum Transport JSC	1,292,437,000
Branch of Petroleum Fertilizer and Chemical Corporation - JSC - Phu My Fertilizer Plant	842,283,519
Indochina Petroleum Transport JSC	379,740,300
Petroleum Securities JSC	132,000,000
Branch of Saigon Petroleum JSC in Ca Mau - Petroleum Station No 10	64,017,218
Petroleum Hotel JSC	14,888,896
Southwest Petroleum Fertilizer and Chemical JSC	-
	4,888,088,221,483

- **Transaction between the Company's internal actors, related persons of insiders with subsidiaries or companies hold and controlled by public companies:** No
- **Transaction between the Company with other subjects:** No
- **Transaction management with related parties:** The company has issued regulations on management of conflicts of interests and transactions with related parties. These regulations specifically stipulate cases considered as conflicts of interests and transactions with related parties, common principles to deal with these conflicts. Accordingly, Audit and Risk Management Committee (including 100% of Non-executive Directors) is responsible for reviewing and supervising transactions with related parties. Transactions with related parties shall be implemented and reviewed according to principles of fairness and arms' length to ensure maximum interests of the Company. Accordingly, related members shall not be allowed to participate in the process of evaluation/approval of these transactions.

Assessment: In 2023, the Company has fully complied with regulations of the Law on transactions between the Company and related persons.

RISK MANAGEMENT

Corporate risk management system of PVCFC has been built since 2018. Risk management activities have been continuously improved. In 2019, PVCFC has done research by itself and successfully built risk management software and officially put into operation in 2020. It marked a significant milestone of PVCFC's pioneering efforts to closely connect risk management with daily operations, creating a strong digital transformation in risk management.

PVCFC has applied "The three lines of defense" to support BOD and the General Director to be responsible for supervision and operation of risk management by identifying factors that can affect missions, vision and strategic goals of the Company, working out solutions to minimize threats and grasping opportunities.



THE THREE LINES OF DEFENSE INCLUDE

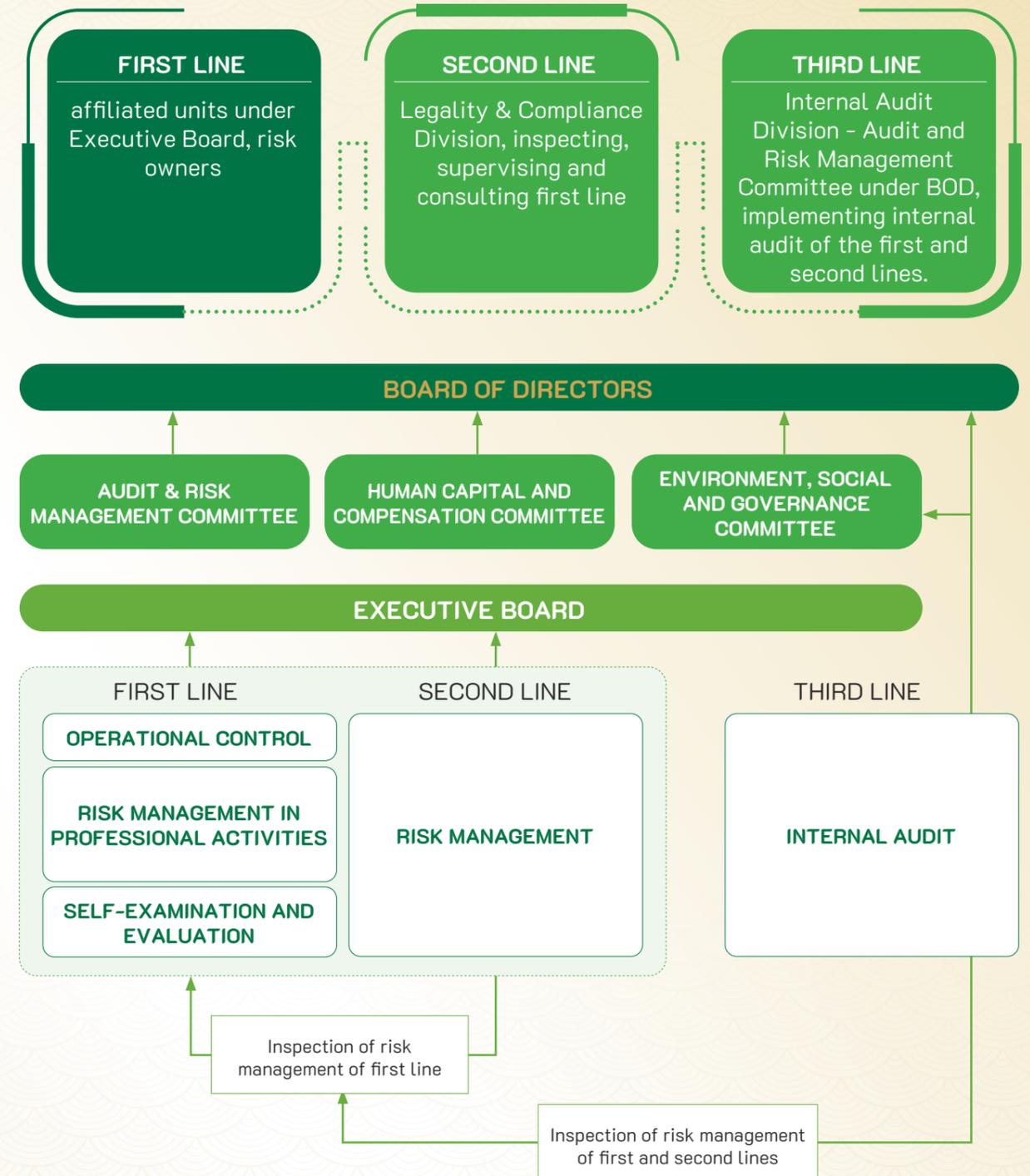


Photo: Model of "The three lines of defense" of PVCFC

RISK MANAGEMENT

REVIEW, ASSESSMENT OF RISKS IN 2023

Since implementation of risk management, PVCFC has issued Risk Appetite Statement, Risk Acceptance Criterion and Risk Measures; building risk management regulations and implementation procedures, issuing company and unit-level risk documents.

Following operational practices over the past years, PVCFC has reviewed, updated risk management frameworks aligned with the company's strategic goals in each period. In 2023, facing multiple challenges in Vietnam and around the world in fertilizer business and production, PVCFC, responding to requirements of new status, reviewed, evaluated, updated current risk management related documents and regulations.

In the past year, BOD has issued the updated risk management regulations, updating Risk Management Statement, Risk Acceptance Criterion and Risk Measures. Then, the General Director has reissued the risk management process. Executive Board has reviewed, evaluated, identified and issued company-level risk documents and unit-level risk documents to identify the root causes of risks, outlining solutions and actions in details, assigning wholesale units and coordinating units the jobs of ensuring efficiency of risk management goals.

By classifying risks in 4 main groups at risk management regulations, PVCFC has identified company-level material risks as follows:



STRATEGIC RISK

→ Risk of price fluctuations in proprietary trading (Potash, DAP, etc.) can affect the approved profit plan: Possibility of price fluctuations can lead to reduction of efficiency of proprietary trading (Potash, DAP, etc.), decrease in profit as approved by the Company.

→ Risk of competition with other manufactures in the region: product competition with other competitors in the region can cause negative impacts on revenue plan and output approved by the Company.

OPERATIONAL RISKS

→ Risk of machine downtime or stoppage and load shedding caused by gas supply rig malfunction can lead to output loss: the possibility of machine stoppage due to interruption of gas supply (recovery time can reach >24h or gas shortage) leading to output loss.

→ Risk of production equipment and machinery failures can cause output loss: Possibility of production equipment and machinery failures is very difficult for replacing or taking a long time to prepare and causing output loss.

→ Network and information security risks

» The likelihood of cyber-attacks and cybersecurity vulnerabilities can threaten the integrity of intellectual assets and other sensitive information, causing operational disruption as well as affecting the Company's financial performance and operational results.

» The possibility of Ransomware attack can exfiltrate network data, encrypting server system platforms and files, apps and backup system.

» The possibility of confidential information related to employees, customers or the company's operation is exposed to unauthorized parties, causing losses in revenue, assets, regulation and other issues.

→ There is a potential risk that Ca Mau branded products (organic, NPK) fail to meet requirements of physical/chemical properties according to announced standards: there is a potential risk that Ca Mau branded products (organic, NPK) fail to meet requirements of physical/chemical properties according to announced standards; causing impact on reputation and incurred costs related to product recall and claiming compensation.

RISK MANAGEMENT

REVIEW, ASSESSMENT OF RISKS IN 2023 (CONTINUED)

COMPLIANCE RISK



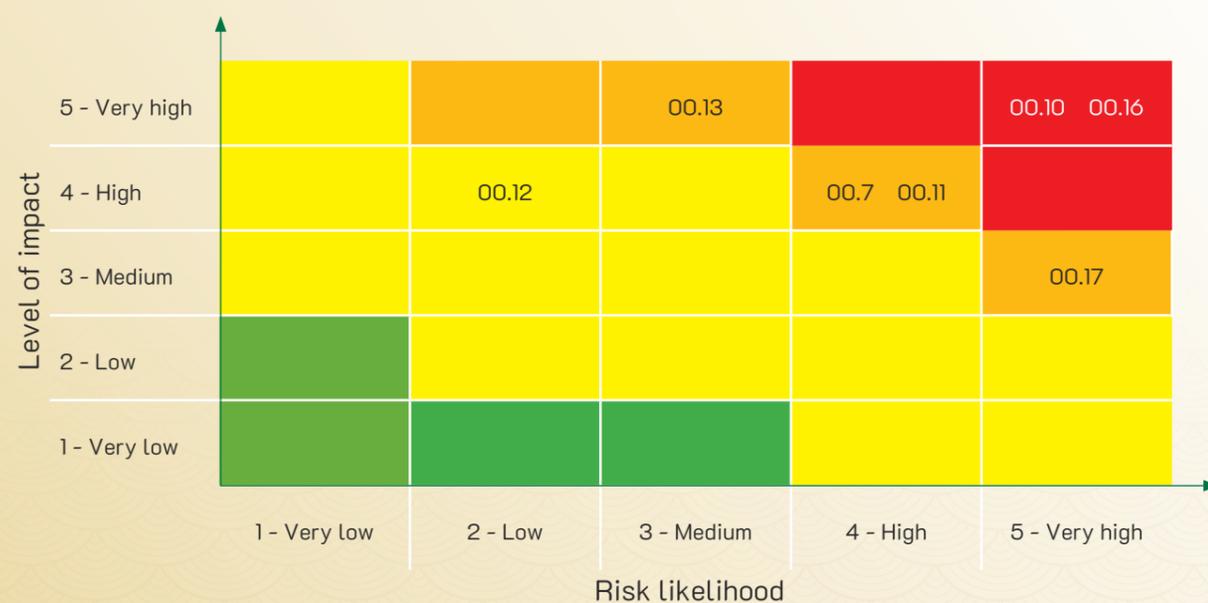
Risks of violating regulations on safety, health and environment: the likelihood that the Company violates regulations on environment, health, safety, security and requirements of license or fails to ensure environmental responsibilities. Then, it can lead to serious personal injuries, loss of life, disruption in business and production activities, and big financial losses.

FINANCIAL RISKS



PVCFC is implementing financial management tools but fails to identify company level risks related to finance.

The above risks are classified on risk likelihood and level of impact on company level risk heat map:



THE COMPANY LEVEL RISK HEAT MAP

ESG RISK MANAGEMENT

Based on the inevitable need for sustainable development trend for all companies, PVCFC always pays a special attention to risk management based on 3 elements: environment, society and governance. PVCFC is aware that ESG practices bring more opportunities, financial benefits such as expansion of opportunities in investment capital attraction or long-term economic values including assurance of sustainable business, assurance of prestige and improvement of corporate brand.

Based on early-built risk management system, PVCFC always review, evaluates material risk in a yearly basis. Regarding ESG practices, PVCFC classifies list of risks under 3 factors of E-S-G. This supports the process of management and control of potential risks in accordance with orientation on environment, society and governance.

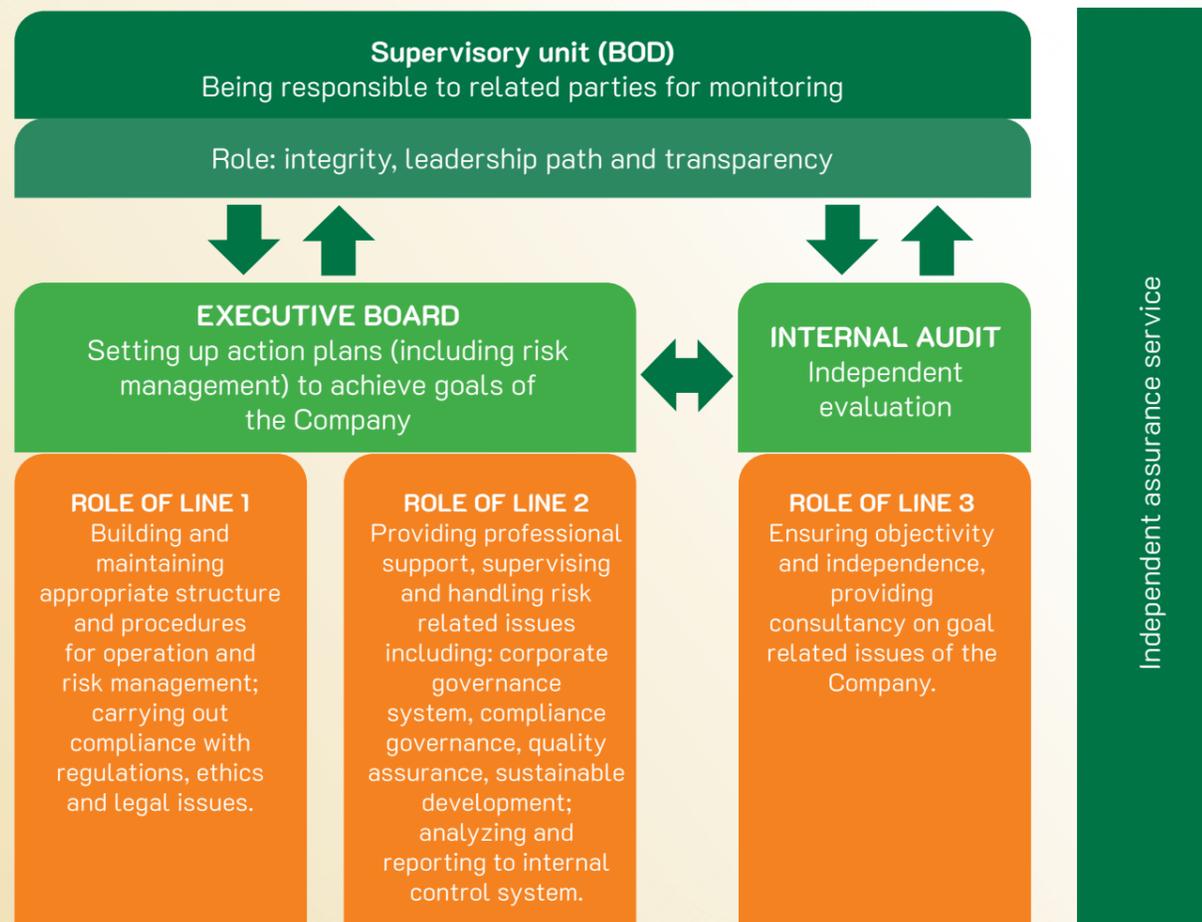
Regarding environment, PVCFC always ensures operational safety in compliance with the State's regulations on gas emissions, waste, QHSE standards and related standards. Therefore, the Company always strictly control risks of safety violations, health and environment, preventing any possible incident and setting violation threshold.

Given big benefits of ESG system, PVCFC is always ready for completing and improving corporate governance activities in general and risk management in particular. With a desire of becoming one of the pioneers in ESG practices of the Group in particular and of Vietnam in general as well as increasingly enhancing its position in the region toward sustainable development and prosperity.



KEY INTERNAL CONTROL ACTIVITIES OF PVCFC

There are always potential business risks that can prevent enterprises from achieving their goals. PVCFC is fully aware that an effective internal control system must ensure prevention and reduction of possible risks. In order to ensure stability in current conditions and sustainable development in the future, PVCFC has built, completed and standardized its internal control system according to the model of The three lines of defense (issued in July 2020 by The Institute of Internal Auditor IIA) based on appropriateness with basic characteristics of enterprises.

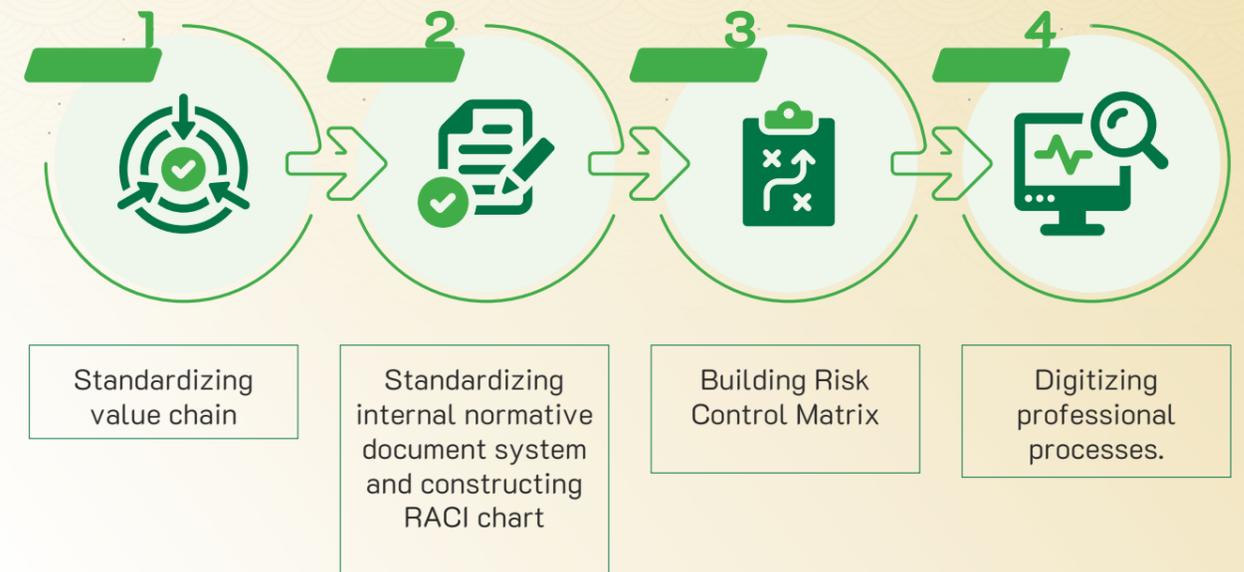


Note

- Flow responsible disclosure
- Assigning responsibility, guiding, providing resources, supervising
- Arranging, coordinating, communicating, cooperating

Photo: 3 Lines of Defense

According to good practices, PVCFC focuses on completing system of principles, regulations, policies to optimize its activities, minimizing material risks, creating added values and improving its competitive position compared to competitors. PVCFC has implemented Policy Framework Project to consolidate governance system with a roadmap of 4 items including:



Accordingly, value chain standardization is considered as a premise for PVCFC to plan activities related to creation or increase of product & service value and important activities capable of creating sustainable competitive advantage for the Company.

Based on the value chain, PVCFC shall issue RACI Chart for regulations to support BOD, General Director, divisions and units to decentralize implementation of each activity in the entire value chain rather than separately implementing according to each functional division. Next, PVCFC shall identify material checkpoints and build the control matrix. This helps Line 1 (divisions) identify work risks and risk response solutions; Line 2, 3 to strengthen data synchronization on risk profiles/input process to support activities of inspection and supervision according to risk orientation and creating conditions for accelerating the process of decision-making of competent units thanked to elimination of unnecessary checkpoints or unnecessary control points. Given the achieved results, after completion of process standardization, PVCFC shall promote digitalization of professional process by electronic office (EO) software, ERP and others. This accelerates thorough connection of information and data, speeding coordination progress between divisions as well as process of decision-making of competent units.

ASSESSMENT ON IMPLEMENTATION OF CORPORATE GOVERNANCE BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD

Report on implementation of ASEAN Corporate Governance Scorecard is presented in detail at: <https://www.pvcfc.com.vn/en-US/investor-relations/esg-1>