

RESOLUTION

Approving the contents to complete the regulations/policies and enforce to meet the criteria of ASEAN Corporate Governance Scorecard 2023 (ACGS2023)

**BOARD OF DIRECTORS
PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY**

Pursuant to Enterprise Law No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on June 17, 2020;

Pursuant to Charter of PetroVietnam Ca Mau Fertilizer Joint Stock Company (PVCFC) adopted by the General Meeting of Shareholders;

In consideration of Proposal no. 03/TTr-VPHĐQT of the BOD Office dated 05/8/2024, regarding the approval the contents to complete the regulations/policies and enforce to meet the criteria of ACGS2023;

Based on the minutes summarizing opinions No 10/BBTH-HĐQT of the Board of Directors of PetroVietnam Ca Mau Fertilizer Joint Stock Company dated 06/8/2024.

RESOLVED:

Article 1. Approving the contents to complete the regulations/policies and enforce to meet the criteria of ACGS2023 as attached appendix.

Article 2. The General Director directs the specialized Divisions to review, implement and update relevant internal regulations to ensure consistency in implementation.

Article 3. This Resolution is effective from the date of signing. Members of the Board of Directors, Committees of BOD, the Board of General Directors and Head of Committees/Offices, units within PetroVietnam Ca Mau Fertilizer Joint Stock Company are to carry out this Resolution./.

C/c:

- As Article 3;
- Standing Party Committee (to report);
- Supervisory Board;
- Filed: Archive, BOD Office.

**FOR BOARD OF DIRECTORS
CHAIRMAN**

(Signed and sealed)

Tran Ngoc Nguyen

APPENDIX

(Attached to Resolution No.2407/NQ-PVCFC dated August 07th, 2024)

1. Sustainable supply chain (Section C.4.3 ACGS2023)

The impacts of PVCFC's business operations and production activities on environmental and social issues are not limited to the activities within the factory. PVCFC is aware that the impacts on the environment and society are also created from the production and supply of raw materials, chemicals, and input services for PVCFC's business operations. Therefore, in the process of selecting and evaluating suppliers, PVCFC not only selects suppliers based on traditional criteria such as finance, production capacity, after-sales services, etc.

The Board of Directors has committed that PVCFC's evaluation and selection of suppliers always focus on environmental and social factors for long-term development, in accordance with PVCFC's strategic development orientation. These factors include the actual and potential impacts of the suppliers on the environment and society. The selection of suppliers always ensures a harmonious balance between economic, environmental, and social factors (ESG). The Board of Directors has decided that PVCFC selects suppliers who comply with environmental and social legal requirements for sustainable development (ESG).

2. Protecting the rights of creditors (Section C.4.6 ACGS2023)

Banks, investors, bond holders, and finance providers (collectively referred to as creditors) play an important role in ensuring the financial resources for PVCFC's activities. PVCFC respects the legitimate interests of its creditors and commits to ensuring that these legal rights are protected. Depending on the specific situation as well as the requirements and results of negotiations with the creditors, PVCFC commits to using one or more of the following measures to ensure the creditor's rights:

- Using the PVCFC's assets as collateral to secure the borrowing
- Using mortgage guarantees or other forms as agreed with the creditors.
- Using debt covenant including financial ratios such as Debt/Equity, Interest Coverage Ratio, Current Ratio
- Negotiating with creditors on groups of safeguard measures for assets financed by the creditors, such as purchasing insurance, asset maintenance, etc.
- Periodically reporting on the implementation of guarantee clauses as well as disclosing information about measures to ensure the creditors' rights are upheld.
- Other safeguard measures as agreed with the creditors.

The application of any safeguard measure always ensures a harmonious balance of interests between the creditors and PVCFC, and complies with legal regulations.

3. Evaluation of Board of Directors and Executive Board members (Section E.3.13 ACGS2023)

An effective Board of Directors (BOD) and Executive Management team requires that the members of the BOD and Executive Management be periodically evaluated based on transparent criteria and a balanced set of factors. The BOD assigns the responsibility to

the Nomination and Remuneration Committee, to establish an evaluation policy for the members of the BOD and Executive Management based on the following key principles

a. Form and process of evaluation

- The Nomination and Remuneration Committee ensures flexibility in the evaluation format. The evaluation forms may include but are not limited to: self-assessment, peer review, questionnaires, etc.
- The evaluation process always ensures the following factors: (i) Transparency and openness; (ii) Consistency in the implementation method; (iii) Objective evaluation results; (iv) Constructive feedback; (v) Confidentiality of information related to the evaluation process; (vi) Appropriateness to the nature of work of each member.

b. Evaluation frequency

The evaluation of the members of the Board of Management and the Executive Board shall be conducted at least once a year.

c. Evaluation Criteria

The Nomination and Remuneration Committee has developed and published the assessment criteria for the members of the Board of Directors and the Executive Board based on the following groups of criteria:

- Group of criteria on the completion of assigned tasks and targets
- Group of criteria on leadership capabilities
- Group of criteria on other individual skills such as knowledge and experience in strategy, risk management, information exchange, etc.
- Group of criteria on compliance with the law as well as PVCFC's regulations, including the code of ethics and conduct
- Group of criteria on contributions to the overall efficiency of the Board of Directors and the Executive Board
- Group of criteria related to sustainable development
- Group of criteria related to the overall performance of the entire company (applicable to the Executive Board and Board of Directors members involved in the management)

In developing and issuing the specific criteria, the Nomination and Remuneration Committee always takes into account the following good practices:

- The set of criteria is reviewed and updated periodically to meet the requirements of the law, good practices, as well as the requirements of shareholders.
- The set of criteria takes into account the differences in functions and responsibilities of the evaluated subjects, including but not limited to: (i) the differences between members of the Board of Directors and members of the Executive Board; (ii) the differences between independent members and non-independent members; (iii) the differences between full-time and part-time members.

- For the Chairman of the Board of Directors, in addition to the assessment criteria as a member of the Board of Directors, criteria related to leadership capabilities and the ability to connect the members of the Board of Directors are also taken into account.

4. Remuneration for members of the Board of Directors and compensation for the Executive Management team (Section (B)C.1.6 ACGS2023)

The Board of Directors assigns the Nomination and Remuneration Committee to develop the remuneration for members of the Board of Directors and compensation for the Executive Management team (hereinafter referred to as "Remuneration") based on the following principles:

- The Remuneration must comply with the provisions of the law as well as the general requirements of the General Meeting of Shareholders
- The Remuneration package must be competitive with reference to the market conditions
- The majority of the Remuneration for the Board of Directors must be fixed, and only a small portion may be variable
- Board members who take on additional duties (such as being members of Committees, Committee leaders, or Board leaders) need to be compensated for these additional duties
- The Remuneration must take into account both short-term factors (such as revenue and profit during the evaluation period) and long-term factors (such as stock price, long-term profitability, etc.)
- The results of the evaluation of the members of the Board of Directors and the Executive Management team must be an important basis for determining the Remuneration
- The Remuneration needs to take into account sustainability factors such as the achievement of sustainability-related KPIs.

5. Criteria for selecting members of the Board of Directors (Section E.3.9 ACGS2023)

The Board of Directors assigns the Nomination and Remuneration Committee, to develop the criteria for selecting members of the Board of Directors. The following principles are applied when determining the criteria for selecting members of the Board of Directors:

- The selection criteria for BOD members are based on core competence groups. The Nomination and Remuneration Committee determines the core competence groups that the BOD needs to effectively fulfill its duties. These core competence groups are defined based on the approved business strategy, the company's actual requirements, and need to be updated when there are new changes. These core competence groups include, but are not limited to:
 - Professional competencies (strategy, risk management, legal, market, stakeholder relations, etc.)

- Skill competencies (communication skills, management skills, negotiation and persuasion skills, etc.)
- The diversity of the BOD is one of the important factors that is always considered. Diversity factors include:
 - Age diversity
 - Gender diversity
 - Independence diversity (a combination of independent and non-independent BOD members)
 - Diversity in expertise and industry
 - Diversity in nationality
 - Diversity in culture
 - Other diversity factors appropriate to the company's development strategy
- The Nomination and Remuneration Committee uses the BOD function assessment matrix tool to identify the skill/competence groups that are still lacking when there is a need to add new members, and then set the selection criteria for BOD members accordingly.
- The specific criteria for selecting the nominated members of the Board of Directors must be approved by the Board of Directors before being widely disclosed.

6. Diversity Orientation of BOD Members (Section (B)E.1.2 ACGS2023)

For PVCFC, the effectiveness of the Board of Directors (BOD) is the top priority. To ensure the efficiency of the BOD's operations, the members of the BOD, as a collective, possess diverse skills and experiences. Based on the strategic business direction in the coming years, the BOD has set the following diversity targets to be achieved by 2030:

- The Board of Directors (BOD) shall have a minimum of two independent female BOD members.
- The BOD shall have a minimum of one BOD member with Mergers and Acquisitions (M&A) experience to support the expansion of production and business operations.
- The BOD shall have a minimum of one BOD member with international market experience to meet the needs of expanding production and business operations.
- The BOD shall have a minimum of one BOD member with experience in strategic business planning./.