

03

CORPORATE GOVERNANCE

PROMOTE **THE POWER**



### INFORMATION ABOUT MEMBERS OF THE BOARD OF DIRECTORS

No.	Full name	Position	Membership start date	
			Appointed date	Resigned date
1	Mr. <b>Dinh Quoc Lam</b>	Chairman	September 17, 2018 (Has held the position of Chairman of the BOD since January 15, 2020)	-
2	Mr. <b>Le Van Danh</b>	Member of the BOD cum President & CEO	January 15, 2020	-
3	Mr. <b>Truong Quoc Phuc</b>	Full-time Member of BOD	September 17, 2018	June 14, 2022
4	Mr. <b>Nguyen Minh Khoa</b>	Part-time Member of BOD	January 15, 2020	-
5	Mr. <b>Do Mong Hung</b>	Independent Member of BOD	September 17, 2018	-

### COMMITTEES UNDER THE BOARD OF DIRECTORS

The Board of Directors works on the principle of collective leadership under the direction and administration of the Chairman without establishing Committees under Board of Directors.

### ASSESSMENT OF THE BOARD OF DIRECTORS'S PERFORMANCE

In 2022, the Board of Directors organized the implementation/direction and issued 48 resolutions to address key matters, policies, plans and governance of the Corporation; In addition, the Board of Directors also issued resolutions, decisions and documents to approve and direct Corporation periodic operation with the approval rate of 100% to perform the operational direction function.



### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS IN 2022:

No.	Full name	Number of meetings attended	Attendance ratio	Absent reasons
1	Mr. <b>Dinh Quoc Lam</b> Chairman	12/12	100%	
2	Mr. <b>Le Van Danh</b> Member of BOD, President & CEO	12/12	100%	
3	Mr. <b>Truong Quoc Phuc</b> Full time Member of BOD	5/5	100%	Resigned from BOD from June 14, 2022
4	Mr. <b>Nguyen Minh Khoa</b> Part-time Member of BOD	12/12	100%	
5	Mr. <b>Do Mong Hung</b> Independent Member of BOD	12/12	100%	

### TRAINING IN CORPORATE GOVERNANCE

Members of Corporations Board of Directors, Board of Management, Board of Supervisors and other managers have been participating in the Corporate Governance training courses in accordance with the advanced management frameworks in the world.

### MEMBERS OF THE BOARD OF SUPERVISORS

No.	Full name	Position	Membership start date	Qualification
1	Mr. Pham Hung Minh	Chief of the Board of Supervisors	September 17, 2018	Bachelor of Foreign Economic Relations, Bachelor of Accounting
2	Mr. Dau Duc Chien	Member of the Board of Supervisors	September 17, 2018	Master of Electrical Engineering, Electrical System Engineer
3	Ms. Vu Hai Ngoc	Member of the Board of Supervisors	September 17, 2018	MBA, Bachelor of Accounting

### PERFORMANCE REPORT OF THE BOARD OF SUPERVISORS

No.	Full name	No. of meetings attended	Attendance ratio	Voting ratio
1	Mr. Pham Hung Minh	4	100%	100%
2	Mr. Dau Duc Chien	4	100%	100%
3	Ms. Vu Hai Ngoc	4	100%	100%

### SALARIES, BONUSES AND REMUNERATION

SALARIES, BONUSES, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND THE BOARD OF SUPERVISORS IN 2022: VND 7.469 BILLION





## RISK MANAGEMENT SYSTEM



EVNGENCO3 BUILDS A RISK MANAGEMENT FRAMEWORK ORIENTING TO INTERNATIONAL PRACTICES AND STANDARDS, WHILE ENSURING THE CONSISTENCY WITH THE VIETNAM ORGANIZATIONAL MODEL AND BUSINESS ENVIRONMENT. EVNGENCO3 RISK MANAGEMENT IS BUILT AND IMPLEMENTED WITH THE FOLLOWING MAIN OBJECTIVES.



1  
Minimizing and preventing unnecessary risks or damages affecting production and business activities.



2  
Creating a smooth, transparent, and effective operating mechanism in management and execution.



3  
Ensuring the mechanism and operation comply with the perspective of management, system of standards and procedures, as well as financial management.

EVNGENCO3's perspective is to have the opportunity at risk. Therefore, risk management is not only about reducing risks, but also analyzing risks, optimizing the correlation relationship between risks and opportunities, accepting risks within the authorized Corporation's scope. As a result, the Corporation elects and accepts risks carefully and in a controlled manner for reasonable business targets.

EVNGENCO3 is responsible for establishing an effective, comprehensive, synchronous, and interconnected risk management system among levels, in which clearly defines the organizational structure and risk management plan. The risk-managing organizational structure is set up and integrated with the managing and executing organizational structure in which there must be the participation from the highest management and executive levels, the subsidiaries, the departments, and compliance control division. EVNGENCO3 has applied ISO/IEC 27001 as an information security management system (ISMS) to evaluate according to international standards. ISO 21001 certification will establish and maintain an effective management system that helps EVNGENCO3 control the safety and confidentiality of its information assets.



## RISKS

### ECONOMIC RISK



Each national economy has its own certain risks which are formed from the fluctuations of basic factors in the economy such as GDP, inflation, interest rate, exchange rates, trade balance, pandemic, etc. For an integrated economy, the risks will spread faster and the impact from those risks is bigger. As a part of the economy, EVNGENCO3 is not an exception to suffer from those fluctuations.

Operational efficiency and business prospects require enterprises to promptly adapt to the fluctuations of business environment. Analysis of macroeconomic environment helps prevent the impacts from the risk factors on the growth strategy and ensure the operation of the business model.

### LEGAL RISK



The Corporation's production and business are subject to the regulation of the law system and the Government's policy, including: Law on Enterprise, tax policies, policy on electricity retail price, integration commitments, regulations on environmental protection, etc. Participating in securities market, the Corporation is subject to the legal regulations on securities market. Therefore, the Corporation regularly updates the applicable laws to promptly grasp changes in legal regulations, and at the same time minimize risks.



SPECIFIC RISK



RISK OF COAL SUPPLY

- » Currently, all coal-fired power plants of EVNGENCO3 have signed long-term coal supply contracts with Vietnam National Coal and Mineral Industries Group and Dong Bac Corporation to ensure about 80% of coal demand for the plant operation. Coal price of Vietnam Coal and Mineral Group (TKV), Dong Bac Corporation sold for power production is regulated by State agencies, so coal price is quite stable.
- » For imported coal, the Corporation will balance against domestic sources to import when the price is suitable.

RISKS OF GAS SUPPLY

- » Phu My power plants are entitled to gas consumption until 2023, after that time, EVNGENCO3 may have risks of gas price and supply. But this is also an opportunity for EVNGENCO3 to find the imported LNG supply with more competitive price. EVNGENCO3 will buy LNG to make up for the shortage of domestic gas compared to the demand for electricity production due to the decline of gas fields in the Southeast region. In the coming time, according to the plan, some new LNG terminals will also be built, then the gas market will be more competitive.

RISK IN ELECTRICITY RETAIL PRICE

- » Electricity retail price is regulated and controlled by the Government to ensure benefit balance between the power enterprises and the consumers. To ensure general benefits, the Government issues electricity price framework applicable to different regions and subjects; therefore, the electricity price is not timely adjusted to be suitable to the market situation in some cases. Inflexible price fluctuations in addition to fuel price risks are always a limitation affecting the Corporation's profit margin.



OTHER RISKS



SECURITIES RISK

Listing shares on HOSE is an inevitable trend to enhance value for shareholders through increasing liquidity and improving governance and, thereby improving the Corporation's business performance. However, when the Corporation's shares are listed on HOSE, the price of share will change not only depending on the Corporation's business by itself but also suffering the impact of general fluctuations in securities market.

OTHER RISKS

Apart from the above-mentioned risks, the Corporation is also subject to other risks such as natural disasters, pandemic, fire, etc., which are force majeure risks that, if occurred, may cause damage to property, people and operation of the Corporation. To minimize risks, the Corporation often timely collects and captures information on the economic, political and social changes as well as the weather to operate the Corporation in an efficient manner.

RISK MANAGEMENT REPORT 2022

- » Facing a strong fluctuation in exchange rates and a high increase in fuel prices (i.e., gas and coal) in 2022, the Corporation has met many difficulties to ensure supply of gas and coal for power generation, maintain daily start/stop operation model at Phu My power plants and standby time for long machine units as no mobilization required from system, deploy new power sources and conduct equitization finalization. These are the risks highly affecting the Corporation's operational efficiency.
- » The Corporation has developed material risk dossiers and process-level risk dossiers in 2022 as assigned schedule. At present, the Corporation has completed 198/366 process-level risk dossiers, exceeding the assigned plan. In which, the Corporation completed 54/97 dossiers; and the member units completed 144/269 dossiers.
- » The implementation of process-level risk dossiers is appropriately done by the units, associated with the professional expertise of each department/workshop.



## ASSESSMENT OF CORPORATE GOVERNANCE PERFORMANCE BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD



IN 2022, EVNGENCO3 HAS BEEN MAKING GREAT EFFORTS TO IMPROVE CORPORATE GOVERNANCE AND FULLY COMPLY WITH REGIONAL STANDARDS. SPECIFICALLY, AS ASSESSING CORPORATE GOVERNANCE BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD, EVNGENCO3 HAS MET THE CRITERIA RELATED TO SHAREHOLDER RIGHT, EQUAL TREATMENT TO SHAREHOLDERS, ROLES OF STAKEHOLDERS, INFORMATION DISCLOSURE AND TRANSPARENCY. EVNGENCO3 IS MAKING PLAN TO BEST SATISFY THE CRITERIA OF ASEAN CORPORATE GOVERNANCE SCORECARD.

### SATISFACTION OF THE CORPORATION TO ASEAN CORPORATE GOVERNANCE SCORECARD

ASEAN CORPORATE GOVERNANCE SCORECARD	EVNGENCO3'S SATISFACTION
A Equal treatment to shareholders	Good
B Ensuring all shareholder rights	Good
C Ensuring rights and roles of stakeholders	Good
D Information disclosure and transparency	Good
E Enhance BOD's responsibilities to shareholders	Good



Details of EVNGENCO3's corporate governance in 2022 compared to ASEAN Corporate Governance Scorecard are as follows:

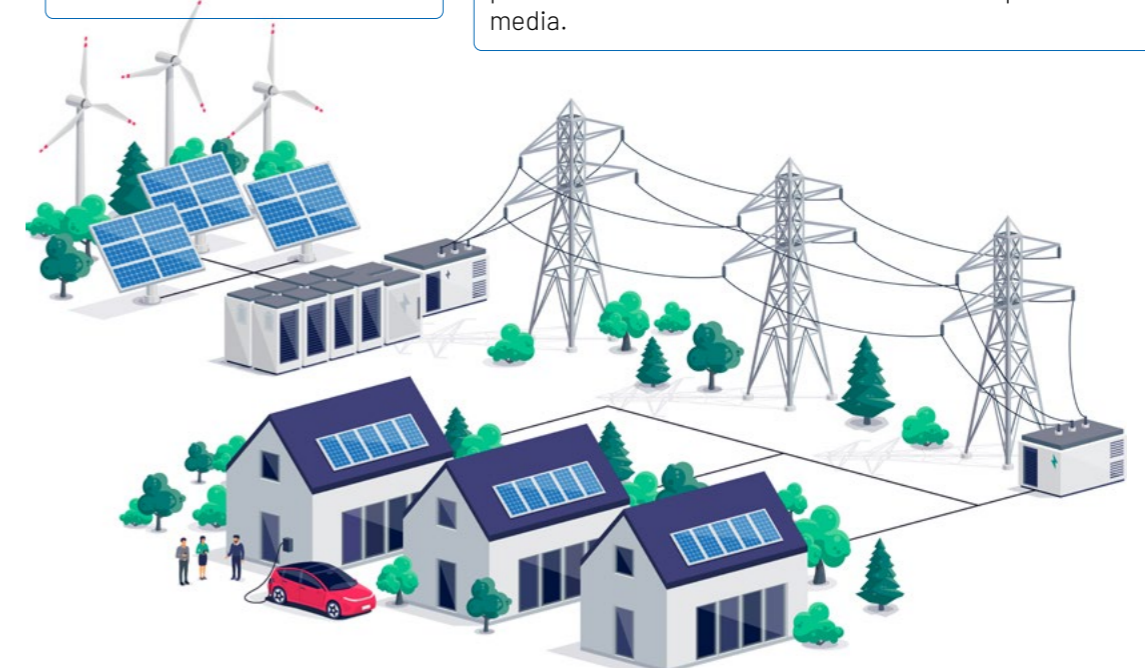
NO.	ASEAN Corporate Governance Scorecard	EVNGENCO3's satisfaction
A	<b>ENSURING ALL SHAREHOLDER RIGHTS</b>	
		In 2022, EVNGENCO3 has ensured all rights of shareholders and investors including rights of finance, information access and attendance in some important decisions of the Corporation.
A.1	<b>Basic shareholder right:</b> <ul style="list-style-type: none"> <li>» Attending Annual General Meeting of Shareholders</li> <li>» Receiving dividends</li> </ul>	<b>Attending Annual General Meeting of Shareholders:</b> On 14 June 2022, in Ho Chi Minh City, Power Generation Corporation Joint Stock 3 (EVNGENCO3), stock code PGV successfully held the Annual General Meeting 2022 with the attendance of the representative of the EVN Board of Members, securities companies and investment funds, and potential foreign & Vietnamese investors. In addition, the Board of Directors (BOD), the Board of Management, the Board of Supervisors, the leaders of the Departments and Subsidiaries and 54 authorized shareholders representing 1,115,428,656 shares, equivalent to 99.3% of the Corporation's total shares.  <b>Receiving dividends:</b> EVNGENCO3 has fully paid dividends to shareholders in accordance with the Resolution of the General Meeting of Shareholders in 2022 and in accordance with the law on payment procedure and time. To be specific, cash dividends of 2021 were paid at the rate of 13% from 29 July 2022. The Corporate also paid in advanced the dividend of 2022 from 10 February 2023.
A.2	Participating in decisions on the Corporation's important changes	In 2022, EVNGENCO3 had no any modification or supplement in the Charter and internal regulations on corporate governance.
A.3	Participating effectively and voting at the General Meeting of Shareholders, and being informed about the regulations of the General Meeting of Shareholders, including voting procedures	On 14 June 2022, the Annual General Meeting 2022 was successfully held, fully complying with the laws, ensuring the maximum rights and interests of shareholders, to be specific: <ul style="list-style-type: none"> <li>» The invitation notice was sent to all shareholders with full information on the time, venue, participants, agenda, how to attend the General Meeting of Shareholders and other basic information about the registration to attend.</li> <li>» All meeting documents were publicly posted on the Corporate website in Vietnamese within 21 days prior to the date of the Annual General Meeting of Shareholders.</li> <li>» The Resolution and Minutes of the General Meeting of Shareholders were posted on the Corporate website on 15 June 2022 in accordance with the regulations on full information within 24 hours.</li> </ul>
A.4	Takeover market must be allowed to operate in an efficient and transparent manner	EVNGENCO3 has had no these cases in 2022.



## ASSESSMENT OF CORPORATE GOVERNANCE PERFORMANCE BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD (CONTINUED)

NO.	ASEAN Corporate Governance Scorecard	EVNGENCO3's satisfaction
<b>A</b>	<b>ENSURING ALL SHAREHOLDER RIGHTS</b>	
A.5	It is necessary to facilitate the implementation of ownership rights for all shareholders, including institutional investors	<p>In 2022, the Corporation conducted monthly investor bulletins to provide information on production and business to investors via website <a href="https://www.genco3.com/quan-he-nha-dau-tu/ban-tin-nha-dau-tu">https://www.genco3.com/quan-he-nha-dau-tu/ban-tin-nha-dau-tu</a>.</p> <p>Investor relations under the Corporation is also ready to answer questions as well as receive feedback from shareholders and investors.</p> <p>During the year, EVNGENCO3 has participated in the investor meeting programs organized by SSI Securities JSC, VCBS.</p>
<b>B</b>	<b>EQUAL TREATMENT TO SHAREHOLDERS</b>	
	EVNGENCO3 fully and publicly provides the required information to all shareholders in both Vietnamese and English languages. Shareholders have the right to attend or authorize to attend the Annual General Meeting of Shareholders of EVNGENCO3.	
B.1	Shares and voting rights	The Corporation has common share only. Each common share has one voting right.
B.2	Notice of General Meeting of Shareholders	All notices and documents of the General Meeting of Shareholders are sent directly to the registered address of shareholders and posted on the website <a href="https://www.genco3.com/">https://www.genco3.com/</a> 21 days prior to the Annual General Meeting of Shareholders.
B.3	Insider trading and abuse for personal gain must be prohibited	Chapter X of the Charter of EVNGENCO3 clearly stipulates that members of the Board of Directors, members of the Board of Supervisors, President & CEO and other executives are responsible for performing their duties, including those as members of the committees under BOD in an honest and careful manner for the benefit of EVNGENCO3. At the same time, it is clearly stipulated the responsibility to compensate for the damage caused by their violations. In addition, the Corporation also complies with the provisions of the Law on Enterprises and the Law on Securities.
B.4	Transactions of BOD members and senior managers	Transactions related to the interests of BOD members are specified in Clause 7, Article 42 of the Corporation's Charter.

NO.	ASEAN Corporate Governance Scorecard	EVNGENCO3's satisfaction
<b>C</b>	<b>ENSURING RIGHTS AND ROLES OF STAKEHOLDERS</b>	
	EVNGENCO3's business activities are carried out on the principle of ensuring the highest interests for stakeholders.	
	<b>Stakeholders</b>	<b>The Corporation's commitment to stakeholders</b>
	<b>Customers</b>	<p>Complying with the laws and the contracts of electricity trading with EPTC.</p> <p>Fully releasing regulations on bidding and procurements, ensuring to comply with the law.</p>
	<b>Shareholders and investors</b>	Complying the law and the Corporation's Charter.
	<b>Employees</b>	Collective labor agreement and internal regulations of the Corporation.
	<b>Community</b>	Taking care of the community with many social security activities.
	<b>Government and Government's agencies</b>	Strictly complying with the laws on tax, environmental protection, and labor safety and contributing to the State budget.
	<b>Partners and suppliers</b>	Fully complying with the law on bidding and procurement of goods.
	<b>Press and social media</b>	Actively providing transparent and full information on production and business activities to the press and social media.





## ASSESSMENT OF CORPORATE GOVERNANCE PERFORMANCE BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD (CONTINUED)

NO.	ASEAN Corporate Governance Scorecard	EVNGENCO3's satisfaction
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### D INFORMATION DISCLOSURE AND TRANSPARENCY

EVNGENCO3 always fully, accurately and timely complies with regulations on information disclosure for listed companies. At the same time, all relevant parties can access the information to be disclosed by EVNGENCO3 via its website.

D.1	Transparent ownership structure	Information on the ownership structure and operating model of the Corporation; data on major shareholders, insider shareholders, BOM members and BOD members; and transactions with related parties are publicly announced and updated in the Annual Report, Governance Report and the Corporation's website.
D.2	Quality and publication deadlines of Annual Report and Financial Statements	The Annual Report of EVNGENCO3 is prepared to fully meet the provisions of Circular No. 96/2020/TT-BTC on guidelines for information disclosure on the stock market.  Annual reports and financial statements of EVNGENCO3 are always published on time and in accordance with regulations on information disclosure.
D.3	Information about the Corporation's business activities	All important information about EVNGENCO3's business activities is promptly disclosed via website: <a href="https://www.genco3.com/quan-he-nha-dau-tu/ban-tin-nha-dau-tu">https://www.genco3.com/quan-he-nha-dau-tu/ban-tin-nha-dau-tu</a> .
D.3	Investor Relations	EVNGENCO3 prioritizes promoting online channels, including the press segment. During the past year, all news about the Corporation's activities were continuously updated on newspapers, aiming to provide investors with the fastest information on its activities.  To provide shareholders and investors more perspectives on PGV stock code through the leading experts' analysts in the market, the Corporation has continuously updated the monthly Investor Relation (IR) reports so that the analysts can regularly report on PGV.



NO.	ASEAN Corporate Governance Scorecard	EVNGENCO3's satisfaction
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### E INCREASE THE RESPONSIBILITIES OF THE BOD TO SHAREHOLDERS

E.1	Structure, roles and responsibilities BOD members	The structure, roles, responsibilities and remuneration of BOD Members are clearly stated in Chapter VII of the Corporations Charter;  BOD submits to AGM for approval on annual remuneration, salary and bonus; issues the Resolution of AGM to comply with regulations and be publicly presented in Annual Report.
E.2	BOD meetings	The order and procedures for meeting of BOD are specified in the Charter, Internal Regulations on governance and Operation Regulation of BOD of EVNGENCO3's BOD had 12 meetings in 2022.
E.3	Independence of BOD members	At EVNGENCO3, the positions of BOD Chairman and President & CEO are separated, helping to increase responsibility and improve independent decision-making capacity of the BOD and the BOM.  The Corporation has 01 BOD independent member to support and perform related tasks.
E.4	Committees under BOD	The establishment of Committees under BOD is not mandatory according to the prevailing regulations. Therefore, the Corporate has no Committees under BOD based on the actual situation.
E.5	Effectiveness of BOD	In 2022, EVNGENCO3's BOD has directed and issued 48 resolutions to solve major issues, policies, plans and governance of the Corporation. In addition, the BOD also has resolutions, decisions and documents to approve and direct periodic works in the operation of the Corporation with the approval rate of 100% to perform the operational management.  BOD members have actively participated in training courses on public corporate governance to update information according to the advanced governance framework in the world.

