

**POLICY TO MANAGE CONFLICT OF INTERESTS OF VINHOMES  
JOINT STOCK COMPANY**

**CHAPTER I  
GENERAL REGULATIONS**

**Article 1      Legal basis, purpose and application scope**

- 1.1      This policy (**Policy**) is issued on the basis of the following legal regulations:
- a.      The Law on Enterprise dated 26 November 2014 and related regulations and supplemental and amendment documents (the **Enterprise Law**);
  - b.      The Law on Securities dated 29 June 2006, the Amended Law on Securities dated 24 November 2010 and related regulations and supplemental and amendment documents (the **Securities Law**);
  - c.      International Accounting Standards No. 24 – Related Party Disclosures and its supplemental and amendment documents (if any) (**IAS**);
  - d.      Vietnamese Accounting Standards No. 26 – Related Party Disclosures and its supplemental and amendment documents (if any) (**VAS**); and
  - e.      The charter of Vinhomes Joint Stock Company (**Charter**).
- 1.2      This Policy is issued by Vinhomes Joint Stock Company (**Vinhomes**) in order to (i) promote compliance with the Enterprise Law and Securities Law, the International Accounting Standards and the Vietnamese Accounting Standards; and (ii) protect the interests and benefits of Vinhomes and its shareholders through the management of adverse effects to Vinhomes and its subsidiaries which may be caused by Interested Persons (defined below).
- 1.3      This Policy provides definitions for Interested Person Transactions and measures to prevent and conflict of interests arising from Interested Person Transactions that are entered into by Vinhomes and its subsidiaries.

**Article 2              Definitions**

In this Policy:

- 2.1      **Associates** refers to enterprises in which an investor has significant influence but not control or joint control;
- 2.2      **Board of Directors (BOD)** refers to the board of directors in a joint stock company;
- 2.3      **control** is the power to govern the financial and operating policies of an entity on the basis of holding more than 50% (fifty per cent) of total voting right of an enterprise (through the ownership of capital in that enterprise directly or indirectly through subsidiaries) or holding a significant role on deciding the organizational structure of an enterprise, including (i) the right to directly or indirectly appoint a majority or all members of the BOD or the Chief Executive Officer; and (ii) the right to decide on the amendment or supplement of the charter of an enterprise;
- 2.4      **Finance Manager** refers to:
- a.      Deputy General Director/Deputy Chief Executive Officer responsible for finance; or
  - b.      Chief Financial Officer if there is no Deputy General Director/Deputy Chief Executive Officer responsible for finance; or

- c. Chief Accountant if there is no Deputy General Director/Deputy Chief Executive Officer responsible for finance or Chief Financial Officer.
- 2.5 **General Meeting of the Shareholders (GMS)** refers to the general meeting of the shareholders in a joint stock company;
- 2.6 **Interested Persons<sup>1</sup>** means any organization or individual with a direct or indirect relationship with an enterprise in the following cases:
- a. Shareholder owning more than 10% of the ordinary shares of Vinhomes, or authorized representative of such shareholder, and their Related Persons (defined below);
  - b. Managers of Vinhomes and their Related Persons;
  - c. Enterprises where Managers and SB members of Vinhomes own shares or contributed capital;
  - d. Enterprises where Related Persons of the Managers and SB members jointly own or separately own contributed capital or shares which represent more than 10%;
  - e. Enterprises which are in the same group with Vinhomes;
  - f. Enterprises which are Joint Ventures or Associates of Vinhomes or which are Associates or Joint Ventures of a third party of which Vinhomes is also an Associate or Joint Venture;
  - g. Enterprises that are controlled or under jointly controlled by a person that has control or joint control over Vinhomes; and
  - h. Enterprises where a person that has control or joint control over Vinhomes has (i) significant influence or (ii) is a Manager;
- 2.7 **Interested Party Transaction** refers to transactions between one party being Vinhomes or a subsidiary and the other party being an Interested Person,;
- 2.8 **joint control** is the contractually agreed sharing of control over an entity;
- 2.9 **Joint Ventures** refers to enterprises over which an investor has joint control;
- 2.10 **Latest Quarterly Statements** refer to the latest financial statements of Vinhomes prepared in accordance with Vietnamese accounting standards, Vietnamese accounting system and related regulations;
- 2.11 **Managers** are those persons having authority and responsibility on planning, instruction and controlling over the activities of an entity, directly or indirectly, including any member of the BOD (of a joint-stock company), member of the Board of Members (of a limited liability company), General Director/Chief Executive Officer, Deputy General Director/Deputy Chief Executive Officer, Finance Manager and Chief Accountant;
- 2.12 **Related Persons<sup>2</sup>** mean a person or entity having interactive relations in the following circumstances:
- a. Parents, adopted parents, spouses, children, adopted children and siblings of a person;
  - b. Employee, the Chief Executive Officer, and a shareholder owning more than 10% of

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<sup>1</sup> a. through d. are according to the definitions of Interested Persons in Enterprise Law, e. through h. are according to IAS 24

<sup>2</sup> according to the definition of Related Persons in the Securities Law

- the voting right of an enterprise;
  - c. Managers and SB members of an enterprise;
  - d. People who in a relationship with another person directly or indirectly control or are jointly controlled by such other person, or who jointly with another person are subject to the same control;
  - e. Parent company and its subsidiary; and
  - f. A contractual relationship in which one person is the representative of the other.
  - g. Related persons in accordance with the Securities Law and Enterprises Law at the time of application
- 2.13 **significant influence** means the participation in the financial and operating policy decisions of an enterprise, but not the control of those policies. Significant influence may be exercised in the following ways:
- a. holding directly or indirectly through subsidiaries at least 20% (twenty percent) voting right in an enterprise;
  - b. having representative(s) in the Board of Directors (the **BOD**);
  - c. participating in process of forming medium-term strategies or annual business plans;
  - d. participating in material transactions with an enterprise; or
  - e. having access to material technical information of an enterprise.
- 2.14 **Supervisory Board (SB)** refers to the supervisory board in a joint stock company.

## CHAPTER II MEASURES TO PREVENT CONFLICT OF INTERESTS

### **Article 3 Obligations for Managers and SB members to avoid of conflict of interests**

- 3.1 Managers, SB members of Vinhomes and their Related Persons are not permitted to use knowledge acquired from their position for personal gains, or for the benefits of organizations or individuals other than Vinhomes.
- 3.2 Managers, SB members of Vinhomes and their Related Persons are not permitted to use or disclose non-public information on Vinhomes for use in any transaction.
- 3.3 BOD members are not allowed to vote on transactions where BOD members or their Related Persons have an interest, in accordance with the Enterprise Law and the Charter.
- 3.4 Managers and SB members of Vinhomes are required to notify the BOD, SB on transactions entered into by Vinhomes, its subsidiaries or entities controlled by Vinhomes with themselves or their Related Persons in accordance with the law. If Vinhomes is required to ask GMS or BOD resolutions for approval for these transactions, it has to comply with the Securities Law on information disclosure of these resolutions.
- 3.5 Managers and SB members of Vinhomes must declare<sup>3</sup> their relevant interests with the following:

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<sup>3</sup> In accordance with the Enterprise Law

- a. Name, registered address, business lines, number and issuance date of business registration certificate, place of registration of enterprises in which they own contributed capital or shares; ratio and time of such ownership of contributed capital or shares;
- b. Name, registered address, business lines, number and issuance date of business registration certificate, place of registration of enterprises in which their related persons jointly own or separately own shares or contributed capital or more than 10% per cent of charter capital.

This declaration must be conducted within 07 (seven) business days, from the date the relevant interest arises; any amendment and supplement must also be declared within 07 (seven) business days, from the date of respective amendment and supplement.

#### **Article 4 Procedures to prevent conflict of interests in Interested Person Transaction**

- 4.1 Interested Person Transactions must be signed in writing in the equitable and voluntary principles in accordance with the market mechanism, prevailing regulations, the Charter and internal policies.
- 4.2 With regards to Interested Persons Transactions **where Vinhomes is a contracting party** (but excluding transactions whose values are below VND 2,000,000,000 (two billion Vietnamese Dong) arising from ordinary course of business), Vinhomes shall, upon execution, satisfy the following conditions:
  - a. Interested Person Transactions with a value equal to or greater than 35% (thirty five per cent) of the total assets value of Vinhomes recorded in the Latest Quarterly Statements must be approved by the GMS in the mechanism stipulated in the Charter.
  - b. Interested Person Transactions with a value equal to or greater than 10% (ten per cent) but smaller than 35% (thirty five per cent) of the total assets value of Vinhomes recorded in the Latest Quarterly Statements must be approved by the BOD in the mechanism stipulated in the Charter. BOD members having interests in the transactions are not allowed to vote.
  - c. Regardless of the provisions stipulated in paragraphs 4.2.b, in order to ensure the flexibility of Vinhomes' business activities, the BOD approves a threshold framework for Interested Person Transactions with a value smaller than 10% (ten per cent) of the total assets value of Vinhomes recorded in the Latest Quarterly Statements must be authorized to the Chairman of the BOD to issue decisions for specific transactions. At the end of each calendar month, the Finance Manager shall collate a list of all Interested Persons Transactions which have been incurred within the month to submit to the BOD no later than the 15<sup>th</sup> day of the following calendar month. BOD members have rights to review and give written opinions on any specific transaction performed within the approved threshold framework if such transaction does not meet the criteria for managing conflict of interests' mechanism stipulated in this Policy. BOD members having interests in the transactions are not allowed to vote.
- 4.3 At the end of each calendar month, the Finance Manager shall collate a list of all Interested Persons Transactions **where a subsidiary of Vinhomes is a contracting party** (but excluding transactions whose values are below VND 2,000,000,000 (two billion Vietnamese Dong) arising from ordinary course of business) which have been incurred within the month to submit to the BOD for approval no later than the 15<sup>th</sup> day of the following calendar month. BOD members having interests in the transactions are not allowed to vote.
- 4.4 Information of Interested Person Transactions must be provided sufficiently, accurately and promptly according to the Securities Law, Charter and internal regulations of Vinhomes.

- 4.5 Information of Interested Person Transactions which are required to be presented in Vinhomes's consolidated and separate financial statements in accordance with VAS and IAS must be presented clearly and in sufficient detail.

**Article 5 Procedures to manage loans and payment guarantees provided to Interested Persons**

- 5.1. Vinhomes is restricted from providing any loan or payment guarantee to the following:
- a. An individual shareholder and its Related Persons;
  - b. An organization shareholder and its Related Persons being individual; and
  - c. Related Persons of a shareholder being organization, except where such Related Persons are Vinhomes subsidiaries and affiliates, or subsidiaries of entities of which Vinhomes is also a subsidiary.
- 5.2. Except when approved by the GMS in accordance with the Charter, Vinhomes is not allowed to provide loans or payment guarantees to Managers, SB members and their Related Persons.
- 5.3. Besides paragraphs 4.2, 4.3, 5.1 and 5.2, Vinhomes and its subsidiaries are only allowed to provide loans to Interested Persons of Vinhomes provided that the total outstanding balance of all loans extended under this paragraph does not exceed 5% (five per cent) of the total assets value of Vinhomes recorded in the Latest Quarterly Statements (the **Loan Threshold**).

For the avoidance of doubt, there is no restriction, and outstanding balances of the following loans to Interested Person will not be included in the calculation towards the Loan Threshold:

- a. Loans between Vinhomes and a Vinhomes subsidiary or affiliate; and
  - b. Loans between a Vinhomes subsidiary or affiliate and another Vinhomes subsidiary or affiliate.
- 5.4. Vinhomes Chief Executive Officer is responsible for:
- a. Issuing and updating a mandatory policy for extending loans to Interested Persons (**Interested Person Lending Policy**), containing the following requirements:
    - (i) The tenor of the loan must be shorter than 14 (fourteen) months;
    - (ii) The loan must be secured with collaterals whose values are similar with comparable transactions with independent third parties; and
    - (iii) The lender is allowed to request for early repayments at any time before the maturity date.
  - b. Developing the template agreement for loans made to Interested Persons; and
  - c. Ensuring the terms of loans made to Interested Persons by Vinhomes are similar with those of Vingroup JSC and Vincom Retail JSC;
  - d. Reviewing the terms of loans made to Interested Persons periodically to ensure they are similar with comparable transactions with third parties.
- 5.5. The Finance Manager is responsible to ensure compliance with the Interested Person Lending Policy.

**Article 6 Procedures to review, detect and manage conflict of interests**

6.1 Any Interested Person Transaction which has not been approved in accordance with this Policy shall not be binding on Vinhomes or its subsidiaries, unless otherwise decided by competent body.

Interested Person Transactions entered into by the Chairman of the BOD in accordance with paragraphs 4.2.c and 4.3, which are not subsequently approved by the BOD, will be unwound in an appropriate mechanism by the transacting party which is Vinhomes or its subsidiary.

6.2 In reviewing Interested Person Transactions in accordance with paragraphs 4.2.c and 4.3, the approver will be provided with sufficient details of the relevant transactions, including but not limited to, terms and conditions, economic benefits and other material information.

6.3 The GMS and/or BOD of Vinhomes will consider Interested Person Transactions based on the following criteria:

- a. Whether the terms and conditions of the transaction are fair for Vinhomes and are similar with comparable transactions entered into with independent third parties;
- b. Whether there is reasonable economic benefits for Vinhomes in this transaction;
- c. Whether the entry into the transaction will affect the independence of any independent member of the BOD; and
- d. Whether the implementation of the transaction will result in a restricted conflict of interest for any Manager and SB member.

6.4 All functional departments of Vinhomes are responsible for identifying Interested Person Transaction and notifying the Finance Manager to carry out the necessary approval procedures for such transactions.

6.5 When necessary, the BOD may request for professional advice from an independent external financial advisor to opine on Interested Person Transactions to ensure such transactions are conducted on an arms-length basis and do not adversely affect the interests of Vinhomes and its minority shareholders.

### **CHAPTER III IMPLEMENTATION PROVISIONS**

#### **Article 7 Issuance of amendment and supplementation**

7.1 This Policy takes effect from the signing date and replaces the Policy to manage conflict of interest for Vinhomes Joint Stock Company issued on 10/12/2018.

7.2 This Policy may be amended, supplemented, and replaced from time to time by the BOD of Vinhomes, provided that such amendment, supplement or replacement must be approved by at least one (01) independent member of the BOD.

**FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS  
CHAIRWOMAN OF THE BOARD**

  
NGUYỄN DIỆU LINH