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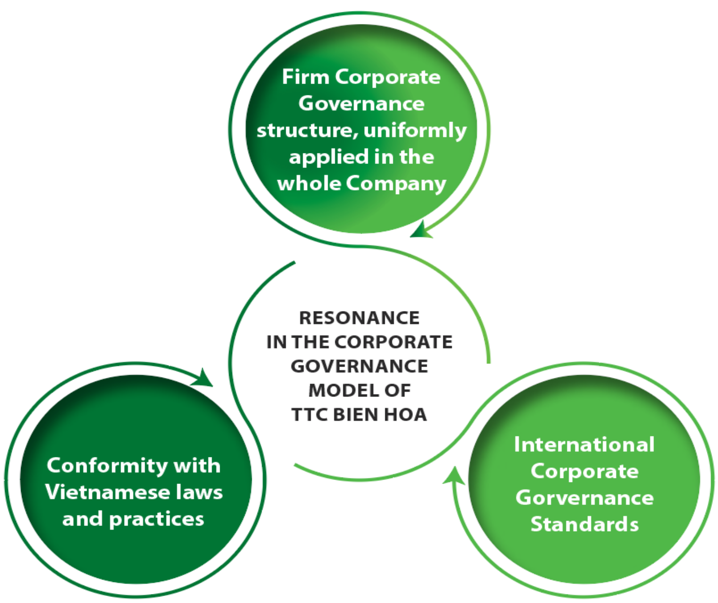
SBT - SUSTAINABLE DEVELOPMENT FROM THE INTERNAL VALUES (*Part II*)

Corporate Governance - Towards international standards

Corporate Governance (CG) practices are now recognized as not only essential in improving companies business performance and transparency, but also as an opportunity to help companies gain trust of investor, increase opportunities to access capital markets, especially international capital markets. Soon realized this, Thanh Thanh Cong Bien Hoa Joint Stock Company (SBT, TTC Bien Hoa, Company), as a leading enterprise in Vietnam's Sugar industry, boldly changed and improved the standards of Corporate Governance through proactively applying the principles of IFC's Corporate Goverance standard and the Asean Scorecard. With the advice and companion of IFC, TTC Bien Hoa has improved CG and made significant progress. Specifically, in addition to complying with applicable laws and regulations, the CG in TTC Bien Hoa has been gradually integrated and applied flexibly by higher standards than the requirements, good practices in the market to suit the operating context in Vietnam as well as the Sugar business.

From 2018, TTC Bien Hoa is one of the pioneering companies in establishing an Audit Committee under the BOD to replace the outdated Supervisory Board model, in which the non-executive and independent BOD members play the role of Audit Committee management to perform monitoring the BOD independently. Since its establishment, in accordance with IFC's advice, the Audit Committee has reviewed key issues, proposed recommendations and solutions to assist the BOD in dealing with arising issues related to: CG, Financial statements, Annual reports and Information disclosure, Internal control systems, Internal audits, Independent auditors, Transactions with related parties, Performance and explanation responsibilities of the Board of Management.

Modern Corporate Governance model of TTC Bien Hoa



Source: TTC Bien Hoa

With a very important role in deciding, strategy direction and monitoring the activities of the Board of Management, the BOD of TTC Bien Hoa are all members with high professional knowledge, practical experiences with insights into industry operations. Maintaining the ratio of Independent/Non-independent Board members, Executive/Non-executive Board members, Male/Female Board members, professional structure, etc. are highly appreciated by the Company. In order to enhance the responsibilities of the BOD, TTC Bien Hoa has also established Audit Committee, Strategy Committee, Human Resources Committee, Environment and Social Committee, etc., each Committee has its own operating regulations, operating towards the effective management of the

Company. In the context of integration, the Company has also actively invited consultants from Deloitte and E&Y to accompany in the process of CG, Strategy development, Risk identification.

Mr. Pham Hong Duong - Vice Chairman cum Chairman of Strategy Committee, Human Resource Committee, Investment in Developing By-products Sales Project Panel, and Social - Environmental Sustainability Panel (left); Mr. Hoang Manh Tien - Independent member of BOD in charge of Audit Committee (right)

According to Mckinsey's global investor opinion survey in 2002, verified by the interview method, nearly 80% of investors from all continents are willing to invest more for businesses with good CG, particularly for Asia, the study also showed that the average additional investment is 20%. The results show that CG is a key factor to improve business performance and manage corporate risk, increase investor confidence, thereby giving businesses better access to capital, raise higher the Company's value, contributing to boosting the efficiency of the stock market and the country's overall economic development. In recent years, the BOD of TTC Bien Hoa has seriously improved its Governance model to higher standards, restructured the apparatus to optimize supervision and risk management activities, ensuring business ethics to create confidence in the market, which is the basis for the competition to attract capital in the international capital market, thereby having more potential to restructure the financial system.

Compared with other countries in Asean, according to the results of Asean Scorecard, National Assessment and Report of ADB in 2015, Vietnam's national average score is still very modest and behind Indonesia, Malaysia, Philippines, Singapore, Thailand, ... In the context that Vietnam is constantly reforming and improving its competitiveness in the integration process, especially when the Atiga Agreement officially came into effect on January 1st, 2020, TTC Bien Hoa always strives to consolidate and improve its own competitiveness in all aspects of CG, business strategies, operating models, product quality ... to expand and reach out to international market, ready to cope and compete fairly with large enterprises in the region and the world. The Company has issued many sets of Regulations such as Internal Regulations on CG, Regulations on dealing with complaints and denunciations with clear and specific regulations to prevent conflicts of interest as well as ensure the rights of the realated parties, especially small shareholders. In addition, the Code of Conduct serves as a guideline to guide more than 4,000 employees to comply with and commit to ethical professional ethics in the process of operations in order to raise awareness about duties and responsibilities of each member of TTC Bien Hoa.

Besides focusing on building CG activities for a sustainable and solid foundation for long-term orientations, other non-financial standards related to Governance such as the Standard of Information Disclosure and the Global goals for sustainable development according to the United Nations is directed to the goal accompanying with the Social Community development, contributing to the achievement of the common goal *"Enterprises are the center of SDGs and strengthening national competitiveness".* The efforts of TTC Bien Hoa in actively improving CG capabilities, completing Environmental-Social commitments to meet the rigorous standards of international investors when deciding to pour capital in the Company as DEG in 2019 and the upcoming issuance of convertible bonds by the private placement with a total value of up to VND 1,200 billion is a testament to the determination and efforts of the BOD, Board of Management and SBT's staff, as well as the trust of big investors in the world in SBT's CG and the prospect of the Sugar industry in the long term. Currently, SBT is the only enterprise operating in the field of Agriculture in Vietnam that has maintained its position in VN30 - Top 30 Vietnam's largest listed companies through many reviews and many ETFs/Prestigious international index continues to hold and net buy, as of January 31st, 2020, the total number of SBT shares that 9 large ETFs/Index holdings is more than 25 million shares, an increase of 43% compared to January 31st, 2019.

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