**PEN:** **Corporate Governance report (2014)**

**CORPORATE GOVERNANCE**

(2014)

Company: Petrolimex Installation No.III Joint Stock Company

Address: No. 232 Nguyen Tat Thanh Street, Ward 13, District 4, Ho Chi Minh City

Tel: 08 39404602 Fax: 0302 536 580

Email: company@penjico.vn

Charter capital: VND 50,000,000,000

Stock code: PEN

**I. BOD’s activities (2014)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Director of BOD** | **Title** | **Attendance** | **Rate** | **Reason for not attending** |
| 1 | Cung Thanh Ha | Chairman | 5/5 | 100% |  |
| 2 | Dang Dinh Thang | Member | 1/1 | 100% | Resigned |
| 3 | Le Huy Thuy | Member | 3/5 | 60% | On business trip |
| 4 | Nguyen Hong Ky | Member | 2/5 | 40% | On business trip |
| 5 | Nguyen Sum | Member | 5/5 | 100% |  |
|  | Nguyen Huy Nhan | Member | 4/4 | 100% |  |

**II. Board resolution**

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Board Resolution/Decision No. | Date | Content |
| 1 | 19/XL3-QD-HDQT | 17/01/2014 | - Send Ms. Hoang Tran Nhu Quynh (work at finance –accounting department) to be representative for the Company to candidate in Supervisory Board of Construction JSC 41 |
| 2 | 20/XL3-QD-HDQT | 17/01/2104 | - Establish the organizing committee of Annual General Meeting of Shareholders 2014 |
| 3 | 16/XL3-HDQT | 04/04/2014 | - Approve the content of report on:  + Activities of Board of Directors  + Activities of Supervisory Board  + Income statement, operating plan of year 2014  + Audited financial statement of year 2013, earnings distribution in 2013 and the dividend payout ratio of 12% per year.  + the remuneration of Board of Directors, Supervisory Board and prize for Management Board in 2013 and remuneration plan of year 2014.  + Audit firm in 2014: Vietnam Auditing Partnership Company, 3 contingency companies: AASC Auditing Firm, Asia Auditing and Finance Investment Consulting Company, Deloitte Vietnam.  - Officially appoint Mr. Nguyen Sum as member of BOD  - Approve the additional election of members of BOD  - Approve the report on the result of business trip in Colombo – Sri Lanka |
| 5 | 129/XL3-NQ-DHDCD | 08/04/2014 | - Approve amending and supplementing the charter with the voting rate of 100%.  - Approve the income statement of year 2013 with the agreement rate of 100%  - Approve the operating plan for 2014 with the agreement rate of 95.87%  - Approve activities of BOD in 2013  - Approve audited financial statement of year 2013  - Approve operating report of Supervisory Board and the orientation for year 2014  - Approve the plan of earning distribution and the dividend payout ratio of 12% per year with the agreement rate of 100%  - Approve the remuneration of BOD, Supervisory Board and prize money for Management Board in 2013 and the remuneration plan for year 2014 with the agreement rat of 100%  - Approve the audit firms of year 2013: Vietnam Auditing Partnership Company, 3 contingency companies: AASC Auditing Firm, Asia Auditing and Finance Investment Consulting Company, Deloitte Vietnam with the agreement rate of 100%  - Approve the par value of VND 10,000 per share and listing stock on Hanoi Stock Exchange (HNX) with the agreement rate of 96.68%  - Approve appointing the Chairman of BOD cum Director with the agreement rate of 100%  - Approve the additional election of member of BOD:  + Mr. Nguyen Sum with the agreement rate of 100%  + Mr. Nguyen Huy Nhan with the agreement rate of 98.5% |
| 6 | 167/XL3-HDQT | 07/05/2014 | - Approve the operating report of the first 4 months of year 2014 and transferring 971,758 shares from dividend payment of PGBANK which was recorded into profit  - Approve increasing the target revenue from 89,000 million dongs to 189,000 million dongs, equal to the output of 230,000 million dongs  - Approve resignation of Mr. Nguyen Huy Nhan from Director of the Ba Hom branch.  - Approve appointing Mr. Nguyen Dinh Thieu as Director of the Ba Hom branch  - Approve signing the labor contract with Mr. Le trung Dung as Deputy Director from 7/2014 to complete the final settlement of building Van Phong petroleum storage |
| 7 | 66/XL3-QD-HDQT | 09/05/2014 | - Appoint Mr. Nguyen Dinh thieu as Director of the Ba Hom branch from 07/05/2014 |
| 8 | 210//XL3- HDQT | 03/06/2014 | - Issue the corporation governance regulations |
| 9 | 287/XL3- HDQT | 18/07/2014 | - Approve the operating result of the first 6 months of 2014  - Approve the report on inspection result in the Da Nang branch in the period 2012-2013  - Approve establishing Van Phong Debt Handling Committee to track and settle debts from building Van Phong petroleum storage |
| 10 | 303/XL3- HDQT | 25/07/2014 | - Approve transferring 2,000,000 shares Petrolimex to Vietnam Informatics Technology Development Limited Company with the transfer price being not lower than the purchase price. Authorize Mr. Cung Quang Ha – Chair of BOD cum Director to trade and sign the trading contract and implement this transfer.  - Approve the resignation of Mr. Nguyen Van chinh from Director of the Da Nang branch  - Approve appointing Mr. Nguyen Ngoc thanh as Deputy Director cum Director of the Da Nang branch |
| 11 | 304/XL3-HDQT | 25/07/2014 | - Approve signing the contract with Southern Air patrol Logistics Joint Stock company. Authorize Mr. Cung quang Ha to sign the contract for building, supplying materials and equipment for the project of building petroleum storage with the capacity of 130,000 m3 |
| 12 | 194//XL3-QD-HDQT | 25/07/2014 | - Mr. Nguyen Van Chinh resigned as director of the Da Nang branch from 26/07/2014 |
| 13 | 195/XL3-QD-HDQT | 25/07/2014 | - Assign Mr. Nguyen Ngoc Thanh as Deputy director cum Director of the Da Nang branch |
| 14 | 315/XL3-HDQT | 11/08/2014 | - Approve getting opinion through documents on signing and implementing the contract with Southern Air Patrol Logistics Joint Stock Company |
| 15 | 201/XL3-QD-HDQT | 11/08/2014 | - Establish the organizing committee getting opinions through documents on signing contract with Southern Air Patrol Logistics Joint Stock Company |
| 16 | 317/XL3-HDQT | 11/08/2014 | - Approve continuing borrowing from BIDV – the Saigon branch with the credit limit of 80 billion dongs to increase the floating capital and authorize Mr Cung Quang Ha to decide the loan limit and sign the credit contract… with BIDV |
| 17 | 320/XL3-HDQT | 13/08/2014 | - Approve the salary plan and salary payment regulation of year 2014  - Approve adjusting the investment plan 2014 with the amount of VND 3,245,000,000 |
| 18 | 333/XL3-QD-DHDCD | 25/08/2014 | - Approve signing the contract with Southern Air Patrol Logistics Joint Stock Company for implementing the project of building petroleum storage with the capacity of 130,000 m3 and the value of 916 billion dongs and assign director to implement this contract |
| 19 | 364/XL3-HDQT | 12/09/2014 | - Approve continuing borrowing capital from PG Bank – the Saigon branch with the credit limit of 450 billion dongs to replenish floating capital for production business operation and authorize Mr. Cung Quang Ha to decide the loan limit. Sign the contract… with the bank |
| 20 | 382//XL3-HDQT | 24/09/2014 | - Approve the operating report of the first 9 months of 2014  - Approve the resignation of Mr. Cung Quang Ha from Director of the Company from 25/09/2014  - Approve appointing Mr. Nguyen Sum as member of BOD cum Director of the Company from 25/09/2014  - Approve transferring Mr. Duong Minh Tri as Director of the Can Tho branch to the management board of the project of southern air petroleum storage.  - Approve adjusting the investment plan 2014 with the amount of VND 4,142,000,000 according to the document dated 19/09/2014  - Approve transferring 2,000,000 shares Petrolimex to Vietnam Informatics Technology Limited Company with the transfer price not lower than the purchase price subtracting the dividend of year 2013 |
| 21 | 391//XL3-HDQT | 25/09/2014 | - Approve continuing borrowing from BIDV- the Saigon branch with the credit limit of 80 billion dongs to replenish capital for the production business operation and authorize Mr. Nguyen Sum to decide the borrowing limit, sign the contract… with the bank |
| 22 | 392/XL3-HDQT | 25/09/2014 | - Approve continuing borrowing from BIDV- the Saigon branch with the credit limit of 450 billion dongs to replenish capital for the production business operation and authorize Mr. Nguyen Sum to decide the borrowing limit, sign the contract… with the bank |
| 23 | 235/XL3-QD-HDQT | 25/09/2014 | - Mr. Cung Quang Ha resigned as Director of the Company from 01/10/2014 |
| 24 | 236/XL3-QD-HDQT | 25/09/2014 | - Appoint Mr. Nguyen Sum as Member of BOD cum Director of the Company from 25/09/2014 |
| 25 | 397/XL3-HDQT | 30/09/2014 | - Approve signing the trading contract with Song Chau Petroleum Joint Stock Company |

**III. Change in connected persons/institutions**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Organizations/individuals** | **Title** | **Moment as connected persons/institutions** | **Moment as not connected persons/institutions** | **Reason** |

**IV. Transactions of PDMRs and connected persons/institutions**

1. List of PDMRs and connected persons/institutions

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Organizations/individuals** | **Title** | **Number of shares** | **Rate (%)** | **Note** |
| 1 | Cung Quang Ha | Chairman of BOD cum Director | 190,440 | 3.8% |  |
|  | Tran Thi Vay | Connected person | 5,010 | 0.1% |  |
| 2 | Dang Dinh Thang | Member of BOD cum Deputy Director | 119,630 | 2.39% | Resigned from 08/04/2014 |
| 3 | Nguyen Sum | Member of BOD cum Deputy Director | 18,420 | 0.37% |  |
| 4 | Le Huy Thuy | Member of BOD | 230,000 | 4.6% |  |
| 5 | Nguyen Hong Ky | Member of BOD | 214,360 | 4.29% |  |
|  | Ha Thi Xuan Anh | Connected person | 210,000 | 4.2% |  |
| 6 | Nguyen Huy Nhan | Member of BOD | 6,530 | 0.13% |  |
|  | Le Thi Thuy | Connected person | 5,190 | 0.1% |  |
|  | Nguyen Huy Tien | Connected person | 10,360 | 0.21% |  |
| 7 | Le Trung Dung | Deputy Director | 72,020 | 1.44% |  |
| 8 | Nguyen Ngoc Thanh | Deputy Director | 0 | 0 |  |
| 9 | Nguyen Thu Ha | Head of Supervisory Board | 500 | 0.01% |  |
| 10 | Dinh Minh Thang | Member of Supervisory Board | 92,500 | 1.85% |  |
| 11 | Le Thi Hong Mai | Member of Supervisory Board | 5,180 | 0.1% |  |
| 12 | Nguyen Thi Van | Chief Accountant | 5,000 | 0.1% |  |