**PEN: Corporate Governance report (first 6 months of 2015)**

**CORPORATE GOVERNANCE REPORT**

(**First 6 months of 2015)**

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 (first 6 months of 2015)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Director of BOD** | **Title** | **Attendance** | **Rate** | **Reason for not attending** |
| 1 | Cung Quang Ha | Chairman of Board of Directors | 4/4 | 100% |  |
| 2 | Le Huy Thuy | Member of Board of Directors of Board of Directors | 3/4 | 75% | On business trip |
| 3 | Nguyen Hong Ky | Member of Board of Directors | 3/4 | 75% | On business trip |
| 4 | Nguyen Sum | Member of Board of Directors | 4/4 | 100% |  |
| 5 | Nguyen Huy Nhan | Member of Board of Directors | 4/4 | 100% |  |
| 6 | Vu Loc | Member of Board of Directors |  |  | Member of Board of Directors from 09 Apr 2015 |

**II. Board resolution**

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Board Resolution/Decision No. | Date | Content |
| 1 | 01/ XL3 - HDQT | 12 Jan 2015 | - Borrowing loans at Petrolimex Joint Stock Bank – Sai Gon Branch with credit limit of VND 6,648,300,000  - Authorize Mr. Nguyen Sum – Director to decide the loan limit, sign credit contracts, mortgage contracts and other documents related to the bank loans |
| 2 | 02/ XL3 - HDQT | 19 Jan 2015 | - Approve the implementation situation of 2014 as follows:  + Production value: 206 billion dongs/ plan of 230 billion dongs, equivalent to 89%  + Revenue: 217 billion dongs/ plan of 189 billion dongs, equivalent to 115%  + Profit: 11.687 billion dongs/ plan of 4.6 billion dongs, equivalent to 254%  + Average income: 6 million dongs/ plan of 6 million dongs, equivalent to 100%  + Investment: 6.438 billion dongs/ plan of 7.55 billion, equivalent to 85%  - Approve the operation plan and investment 2015  - Approve plan for transferring the right of using the house No.38 Dong Khoi and assign the Director to carry out in accordance with the laws  - Approve the assigning Director to submit Board of Directors the plan for exploitation and profit-earning of the previous investments  - Approve the attending the survey of American market of Mr. Cung Quang Ha – Chair of Board of Directors in 10 days from 26 Jan 2015 to 03 Feb 2015  - Approve the annual leave of Mr. Cung Quang Ha from 04 Feb 2015 to 20 Feb 2015 and authorize Mr. Nguyen Sum to replace Mr. Ha during his absence  - Approve the signing contracts with Mr. Le Trung Dung to handle the debts at Van Phong bonded warehouse |
| 3 | 18/ XL3 - HDQT | 26 Feb 2014 | - Set up a team for holding annual General Meeting of Shareholders 2015 |
| 4 | 13/ XL3 - HDQT | 05 Mar 2014 | - Approve the recording list of shareholders on 16 Mar 2015 to hold annual General Meeting of Shareholders 2015  - Approve the time of holding annual General Meeting of Shareholders 2015: 08h00 on 09 Apr 2015 at Office of Petrolimex Construction Joint Stock Company No. 03 at 323 Nguyen Tat Thanh, Ward 13, District 4, HCMC  - Approve the agenda of annual General Meeting of Shareholders 2015 including:  + Operation results 2014 and plan 2015  + Operation of Board of Directors  + Audited financial statement 2014  + Operation of Supervisory Board and verification results of financial statement 2014 and orientation 2015  + Statement on amending and supplementing Charter of the Company in accordance with the Enterprise Law 2014  + Statement on supplementing line of business  + Statement on method of profit distribution 2014  + Remuneration payment 2014 for Board of Directors, Supervisory Board and Management Board and remuneration plan 2015 for Board of Directors, Supervisory Board and Management Board  - Approve the indicators for 2015  + Revenue: 257,000 million dongs  + Investment: 32,920 million dongs  + Dividend payment: 6%  + Average income/ person/ month: 6 million dongs  - Approve the dividend payment 2014: 12%  - Approve the plan for exploitation and right of using assets at 38 Dong Khoi |
| 5 | 23/ XL3 - HDQT | 09 Apr 2014 | - Approve the holding annual General Meeting of Shareholders 2015 at 08h00 on 09 Apr 2015 at Meeting Hall of Center for Politics Training in District 4, 85-87 Tan Vinh Street, Ward 6, HCMC  - Approve the reports at annual General Meeting of Shareholders 2015 including:  + Operation results 2014 and plan 2015  + Operation of Board of Directors  + Audited financial statement 2014  + Operation of Supervisory Board and verification results of financial statement 2014 and orientation 2015  + Statement on amending, supplementing Charter of the Company in accordance with Enterprise Law 2014  + Statement on supplementing line of business  + Statement on plan for profit distribution 2014  + Remuneration payment 2014 for Board of Directors, Supervisory Board and bonus 2014 for Management Board and remuneration plan 2015 for Board of Directors, Supervisory Board and Management Board  - Approve the adjustment of plan for dividend payment 2015 from 6% to 10%  - Approve the asking the approval of annual General Meeting of Shareholders 2015 about redemption of shares of the Company for treasury shares with the rate of not over 15% of issued shares  - Approve the documents, list of additional candidates to members of Board of Directors for the remaining time of term 2012 – 2016 to submit annual General Meeting of Shareholders 2015: Mr. Vu Loc  - Approve the operation results of Q.I/ 2015  + Value of signed contracts: 102 billion dongs  + Value of realized contracts: 43 billion dongs  + Revenue: 50 billion dongs  + Profit: 4.83 billion dongs  - Approve the plan of Q.II/ 2015 and measures:  + Value of contracts: 60 billion dongs  + Value of production: 50 billion dongs  + Revenue: 40 billion dongs  + Profit: 5.5 billion dongs |
| 06 | 22/ XL3 – NQ - DHDCD | 09 Apr 2014 | 1: Approve operation report of Board of Directors in 2014  2: Approve audited financial statement 2014  3: Approve operation report of Supervisory Board and assessment report of financial statement 2014; program of Supervisory Board in 2015  4: Approve amendment of Charter of Petrolimex Installation No. III Joint Stock Company according to Law on Enterprises 2014  5: Approve supplement of business lines to Charter of the Company, including:  - Maintenance, repair of cars and other engine equipment: Code 4520  - Manufacture of barrel, containers, and other metal containing tools: Code 2512  - Manufacture of cars with engine: Code 2910  6: Approve report on result of production, business indicators, management of the Company in 2014  7: Approve production, business plan in 2015, in which dividend rate is 10% and guideline of buying shares of Petrolimex Installation No. III Joint Stock Company for treasury shares with rate of not higher than 15% of total number of issued shares  8: Approve profit distribution in 2014 and dividend rate of 12%  9: Approve remuneration for Board of Directors and Supervisory Board in 2014 and plan in 2015  10: Approve selection of the Auditor for financial statement 2015 among:  - Vietnam Auditing Partnership Company (CPA)  - Nam Viet Auditing and Accounting Financial Consultancy Co., ltd (AASCN)  - Viet Anh Auditing Co., ltd (VietAnh)  11: Approve additional appointment of Board of Directors for the remaining time of office term 2012 – 2016  1. Mr. Vu Loc |

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

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| --- | --- | --- | --- | --- | --- |
| **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 Board of Directors cum Director | 190,440 | 3.8% |  |
|  | Tran Thi Vay | Connected person | 5,010 | 0.1% |  |
| 2 | Dang Dinh Thang | Member of Board of Directors cum Deputy Director | 119,630 | 2.39% | Resigned from 08/04/2014 |
| 3 | Nguyen Sum | Member of Board of Directors cum Deputy Director | 18,420 | 0.37% |  |
| 4 | Le Huy Thuy | Member of Board of Directors | 230,000 | 4.6% |  |
| 5 | Nguyen Hong Ky | Member of Board of Directors | 214,360 | 4.29% |  |
|  | Ha Thi Xuan Anh | Connected person | 210,000 | 4.2% |  |
| 6 | Vu Loc | Member of Board of Directors | 239,760 | 4.8% |  |
| 7 | Nguyen Huy Nhan | Member of Board of Directors | 6,530 | 0.13% |  |
|  | Le Thi Thuy | Connected person | 5,190 | 0.1% |  |
|  | Nguyen Huy Tien | Connected person | 10,360 | 0.21% |  |
| 8 | Le Trung Dung | Deputy Director | 72,020 | 1.44% |  |
| 9 | Nguyen Ngoc Thanh | Deputy Director | 0 | 0 |  |
| 10 | Nguyen Thu Ha | Head of Supervisory Board | 500 | 0.01% |  |
| 11 | Dinh Minh Thang | Member of Supervisory Board | 92,500 | 1.85% |  |
| 12 | Le Thi Hong Mai | Member of Supervisory Board | 5,180 | 0.1% |  |
| 13 | Nguyen Thi Van | Chief Accountant | 5,000 | 0.1% |  |