**SD5: Annual General Mandate**

On 21/04/2017, Song Da 5 Joint Stock Company announced the Annual General Mandate as follows:

**Article 1:** Approve following contents:

1. Approve Report on Business operation result in 2016 and plan in 2017 as follows:
2. Business operation in 2016:

* Business operation value: 1,421.37 Billion VND/ Target: 1,527.19 Billion VND, achieve 93% target
* Total revenue: 1,466.95 Billion VND/ Target: 1,659.50 Billion VND, achieve 88% target
* Profit before tax: 52.29 Billion VND/ Target: 70.10 Billion VND, achieve 75% target.
* Profit after tax: 41.51 Billion VND/ Target: 57.28 Billion VND, achieve 72 % target.
* Tax cost: 40.39 Billion VND/ Target: 63.19 Billion VND, achieve 64% target.
* Total Assets: 1,972.39 Billion VND/ Target 2,257.40 Billion VND, achieve 87% target.
* Average wage: VND 10,330,000/person/month/ Target: VND 8,980,000, achieve 115% target.
* Dividend payment ratio: 16%/ Target: 15 %, achieve 107% target.

1. Business operation plan in 2017 with main items as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **ITEM** | **UNIT** | **Target in 2017** | **Note** |
| **A** | **TOTAL BUSINESS OPERATION VALUE** | **109 VND** | **1,520.07** |  |
| 1 | Installation service business value | 109đ VND | 1,520,07 |  |
| a | Contractual installation | 109đ VND | 1,027.26 |  |
| b | Non-contractual installation | 109đ VND | 492.80 |  |
| **B** | **FINANCIAL PLAN** |  |  |  |
| **I** | **Business operation value** | **109đ VND** | **1,520.07** |  |
| **II** | **Sales revenue (1+2)** | **109đ VND** | **1,617.33** |  |
| 1 | Revenue | 109đ VND | 1,545.00 |  |
| 2 | Output VAT | 109đ VND | 72.33 |  |
| **III** | **Profit** |  |  |  |
| 1 | Profit before tax | 109đ VND | 71.09 |  |
| 2 | Profit after tax | 109đ VND | 56.87 |  |
| 3 | Profit margin |  |  |  |
| - | Profit before tax/revenue | % | 4.60% |  |
| - | Profit after tax/charter capital | % | 21.87% |  |
| - | Profit after tax/Owner’s capital | % | 10.50% |  |
| - | Profit after tax/Total average assets | % | 3.16% |  |
| 4 | Estimated dividend profit | % | 16% |  |
| **IV** | **Payables to state** |  |  |  |
| **1** | **Payables to state** | **109đ VND** | **56.70** |  |
| a | Treasury payables | 109đ VND | 41.72 |  |
| b | Other payables | 109đ VND | 16.80 |  |
| **2** | **Paid** | **109đ VND** | **49.30** |  |
| a | Treasury payables | 109đ VND | 32.50 |  |
| b | Other payables | 109đ VND | 16.80 |  |
| **V** | **Salary** |  |  |  |
| 1 | Average salary | person | 1,502.00 |  |
| 2 | Total payroll | 109đ VND | 160.08 |  |
| 3 | Other income | 109đ VND | 5.00 |  |
| 4 | Average monthly salary/person | 106đ VND | 8.88 |  |
| 5 | Average monthly income/person | 106đ VND | 9.16 |  |
| **VI** | **Fixed assets and accumulated depreciation** |  |  |  |
| 1 | Provision for depreciation account | 109đ VND | 960.00 |  |
| 2 | Accumulated depreciation | 109đ VND | 63.00 |  |
| 3 | Depreciation ratio | % | 6.56% |  |
| 4 | Original cost at the beginning | 109đ VND | 1,116.03 |  |
| 5 | Original cost at the end of the period | 109đ VND | 1,226.03 |  |
| 6 | Historical cost at the end of the period | 109đ VND | 248.07 |  |
| **VII** | **Loan at the end of the period** |  | 512.09 |  |
| 1 | Short-term loan | 109đ VND | 400.00 |  |
| 2 | Long-term loan | 109đ VND | 112.09 |  |
| **VIII** | **Owner’s capital at the end of the period** |  | **541.60** |  |
| 1 | Charter capital | 109đ VND | 259.99 |  |
|  | in which: State capital | 109đ VND | 166.80 |  |
| 2 | Investment and Development fund | 109đ VND | 143.06 |  |
| 3 | Capital surplus | 109đ VND | 43.13 |  |
| 4 | Other capital of Owner | 109đ VND | 10.60 |  |
| 5 | Undistributed profit | 109đ VND | 84.82 |  |
| **IX** | **Total assets at the end of the period** | **109đ VND** | **1,800.00** |  |
| **X** | **Liabilities at the end of the period** | **109đ VND** | **1,258.40** |  |
| 1 | Liabilities/ Charter capital | Times | 4.84 |  |
| 2 | Liabilities/ Owner’s capital | Times | 2.32 |  |
| **D** | **MAIN WORK VOLUME CATEGORY** |  |  |  |
| 1 | Digging |  |  |  |
| a | Soil | 1000m3 | 1,021.81 |  |
| b | Stone | 1000m3 | 1,122.72 |  |
| c | Stone re-filling | 1000m3 | 307.38 |  |
| 2 | Installation |  |  |  |
| a | RCC concrete | 1000m3 | 1,286.64 |  |
| b | CVC concrete | 1000m3 | 240.74 |  |
| c | KC steel rebar | Tonnes | 4,888.49 |  |
| d | Formwork | 1000m3 | 139.95 |  |
| **E** | **INVESTMENT VALUE** | **109đ VND** | **128.94** |  |
| 1 | Construction equipment improvement | 109đ VND | 128.94 |  |

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

2. Approve Operation report of BOD in 2016; Operation scheme, plan of BOD in 2017.

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

3. Approve the operation report of Board of Supervisors.

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

4. Approve 2016 audited financial statement.

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

5. Approve the profit distribution plan in 2016.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Contents** | **Distribution** | | **Note** |
| **Ratio** | **Value (VND)** |
| **I** | **Profit and Payables to State in 2016** |  |  |  |
| 1 | Profit before tax in 2016 |  |  |  |
| - | Parent Company |  | 40,385,470,475 |  |
| - | Consolidated |  | 52,285,482,753 |  |
| 2 | Current corporate income tax |  | 10,063,726,956 |  |
| 3 | Profit after tax in 2016 |  |  |  |
| - | Parent Company |  | 30,321,743,519 |  |
| - | Consolidated |  | 40,116,894,195 |  |
| 4 | Undistributed Profit after tax in 2015 |  |  |  |
| - | Parent Company |  | 33,228,598,418 |  |
| - | Consolidated |  | 7,881,248,357 |  |
| 5 | Accumulated profit as of 2016 |  |  |  |
| - | Parent Company |  | 63,550,341,937 |  |
| - | Consolidated |  | 47,998,142,552 |  |
| 6 | Distributable profit |  | 47,998,142,552 |  |
| **II** | **Profit distribution** |  | **47,998,142,552** |  |
| 1 | Investment and Development fund | 0% |  |  |
| 2 | Provision for Tier 2 Capital | 5% |  |  |
| 2 | Provision for bonus, welfare fund | 13% | 6,398,385,752 |  |
| - | Bonus fund |  | 3,839,031,451 |  |
| - | Welfare fund |  | 2,559,354,301 |  |
| 3 | Profit for dividend payment in 2016 (16% charter capital) | 86.7% | 41,599,756,800 |  |
| **III** | **Undistributed Profit** |  |  |  |
| - | Parent Company |  | 15,552,199,385 |  |
| - | Consolidated |  | - |  |

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

6. Approve the proposal on remuneration for BOD, BOS, and secretary in 2016 and remuneration plan in 2017

a. Total remuneration payment in 2016 is 856,251,753/ Plan: 1,156,000,000, achieve 75.37% Plan, the remuneration payment was carried out as stipulated in 2016 Annual General Mandate.

b. Remuneration payment plan in 2017:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Contents** | **Number of person** | **January remuneration** | **January Salary** |
| 1 | Executive Chairman of BOD | 01 |  | 35,000,000 |
| 2 | Independent Commissioner of BOD | 01 | 6,000,000 |  |
| 3 | Head of BOS | 01 |  | 20,000,000 |
| 5 | Member of BOS | 02 | 4,000,000 |  |
| 6 | Secretary | 01 | 4,000,000 |  |

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

7. Approve the proposal on select independent audit firm to audit 2017 financial statement which is KPMG Company limited

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

8. Approve the proposal on supplement Company Charter.

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

9. Approve the replacement on member of Board of Director in the Meeting:

2017 General Meeting of Shareholders approves the exemption of member of Board of Directors, Mr. Do Quang Loi and the appointment of Mr. Tran Anh Duc – Representative of the equity of Song Da Joint Stock Company in Song Da 5 Joint Stock Company to hold the position of member of Board of Directors for the rest of the term 2015-2020.

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

10. Approve the exemption and supplementary vote for member of Board of Supervisors of the Company:

10.1 2017 General Meeting of Shareholders approves the exemption of member of Board of Supervisors, Mr. Le Ngoc Minh.

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

10.2 2017 General Meeting of Shareholders voted for Mrs. Nguyen Hong Van, Bachelor of Law, Bachelor of Foreign Language, currently holds the position of Head of secretary board of Song Da Joint Stock Company to hold the position of member of Board of Supervisors of Song Da 5 Joint Stock Company for the rest of the term 2015 – 2020.

*Approval voting share: 18,612,856 shares, accounted for 100 % of voting shares in the Meeting.*

**Article 2.** General Meeting of Shareholders assigns Board of Directors of Song Da 5 Joint Stock Company to carry out foregoing contents in accordance with regulations of Law, Company Charter and report the operation result in the next General Meeting.

**Article 3.** Board of Directors, Board of Supervisors, General Director of Song Da 5 Joint Stock Company and unit under the Company are responsible for implementing this Mandate./.

1. Operation report of the Board of Directors (BOD) and supervision result of BOD regarding Executive board, Managing officer in 2016;

2. Report of the Director for implementing production business plan for 2017;

3. Report of Supervisory board on the result of business performance of the company and monitoring result of operating management to BOM and Chief Executive Officer in 2016;

**Voting result:**

- Agreed: 3.357.204 voting cards, equal 100% total shares has the voting right attend, 93,27% total shares has the voting right of the company,

- Disagreed : 0% voting cards

- Abstention : 0% voting cards

Article 2: Adopt Financial Statement for the fiscal year 2016 of the company audited by AASC Auditing Firm Company Limited, no: 452/2017/BC.KTTC - AASC.CNQN, 08/03/2017, in consistent with Vietnam's Accounting Standards

**Voting result:**

- Agreed: 3.357.204 voting cards, equal 100% total shares has the voting right attend, 93,27% total shares has the voting right of the company,

- Disagreed : 0% voting cards

- Abstention : 0% voting cards

**Article 3. The voting results as below:**

**1. Business result of the company in 2016:**

|  |  |  |
| --- | --- | --- |
| **1, Total revenue** | **115.859.828.926** | **VND** |
| Revenue from business production | 98.047.934.165 | VND |
| Other income | 16.048.965.903 | VND |
| Financial income | 1.762.928.858 | VND |
| **2, Total cost** | **94.455.594.866** | **VND** |
| Business and Production costs | 93.240.306.250 | VND |
| Other cost | 1.215.288.616 | VND |
| **3, Profit before tax** | **21.404.234.060** | **VND** |
| Profit from getting compensation | 14.699.144.487 | VND |
| **4, Total salary funds** | **47.513.000.000** | **VND** |
| Salary fund for employees | 46.028.000.000 | VND |
| Salary fund for management team | 1.485.000.000 | VND |
| Total quantity of employees | 498 |  |
| Average salary (VND/Person/month) | 7.951.000 |  |

**Voting result:**

- Agreed: 3.357.204 voting cards, equal 100% total shares has the voting right attend, 93,27% total shares has the voting right of the company,

- Disagreed : 0% voting cards

- Abstention : 0% voting cards

**2. Plan for profit distribution, set up funds and decide payout ratio**

|  |  |  |
| --- | --- | --- |
| **1. Profit before tax** | **21.404.234.060** | **VND** |
| Profit from getting compensation | 14.699.144.487 | VND |
| **2. Corporate income tax** | **4.393.685.361** | **VND** |
| **3. Profit after tax** | **17.010.548.699** | **VND** |
| Dividend payment | 3.599.580.000 | VND |
| Bonus fund for management team (1.5 month salary) | 185.000.000 | VND |
| Reward fund | 2.120.309.836 | VND |
| Welfare fund | 2.120.309.836 | VND |
| Development and Investment Fund | 8.985.349.027 | VND |

Payout ratio in 2016: 10%

Time to pay dividend: When finishing general meeting, the company will inform to Vietnam Securities depository to fix shareholders list (who will be receive dividend) in 2016 (estimated time: end of May, 2017).

**Voting result:**

- Agreed: 3.357.204 voting cards, equal 100% total shares has the voting right attend, 93,27% total shares has the voting right of the company,

- Disagreed : 0% voting cards

- Abstention : 0% voting cards

**3. Production & business target in 2017**

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **INDICATOR** | **UNIT** | **PLAN 2017** |
| **I** | **Consumption output (Export + Domestic)** | **1000 tons** | **36.000** |
|  | Verified coal for export | " | 1.500 |
|  | Verified coal for domestic consumption | " | 34.500 |
| 2 | Verified coal: received | " | 48.852 |
| 3 | Verify changing of coal area | " | 2.000 |
| 4 | Verify coal | 1000 tons | 3.835 |
| 5 | Verify boat, check out outside | " | 3.250 |
| 6 | Measure Barge | " | 3.250 |
| 7 | Sealing transportation | " | 17.750 |
| 8 | Check the assurance of measuring the commercial weight |  | 207 |
| 9 | Inspect Alumni | 1000 tons | 750 |
| **II** | **Value criteria** |  |  |
| 1 | Total income | Million VND | 89.600 |
|  | Business and production income | " | 81.100 |
|  | Other inspection income | " | 6.500 |
|  | Other financial income | " | 2.000 |
| 2 | Total expenses | " | 84.350 |
| 2,1 | Intermediate cost | " | 25.965 |
| 2,2 | Value added | " | 58.385 |
|  | Depreciation of fixed assets | Million VND | 8.921 |
|  | Salary | " | 43.169 |
|  | Salary of business production | " | 41.447 |
|  | Salary of managers | " | 1.722 |
|  | Social Insurance, health insurance, unemployment insurance, trade union funding and fees | " | 6.147 |
|  | Tax | " | 148 |
| 3 | Profit | Million VND | 5.250 |
|  | Instruction criteria for labor and labor cost |  |  |
|  | Average labor | Person | 490 |
|  | Average salary | 1000 VND/Person/Month | 7.342 |
| **III** | **Capital construction investment** | **Million VND** | **7.462** |
| **IV** | **Dividend** | **%** | **10** |

Plan for [dividend payout ratio](https://cfovn.wordpress.com/2012/02/24/t%E1%BB%B7-l%E1%BB%87-tr%E1%BA%A3-c%E1%BB%95-t%E1%BB%A9c-dividend-payout-ratio-la-gi/) in 2017 = 10%

During the period of plan implementation in 2017 as mentioned, if Vietnam national coal - mineral industries holding corporation limited adjust criteria of business coordination plan, congress should authorize Board of Management to consider and adjust plan in order to match with the actual conditions. This will be reported at Annual general meeting of shareholders 2018.

**4. Remuneration for Board of Management and Supervisory Board of the company**

### a. Approved Remuneration decision pay for Board of Management and Supervisory Board in 2016

* Approved number of remuneration that will be pay for BOM and Supervisory Board in 2016, specifically as follows:

Total allowance paid in 2016 : 256. 380.000 VND

+ Yearly allowance paid for BOM : 164. 400.000 VND

+ Yearly allowance paid for Supervisory Board : 91.980.000 VND

* Approved number of salary for Chief of the Supervisory Board of the company in 2016 (from 01/05 to 31/12/2016) and managers as bellows:

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **Name** | **Title** | **Total salary/year** |
| 1 | Nguyen Ngoc Son | Board member, Director | 365.554.020 |
| 2 | Bui Van Manh | Deputy director | 315.978.815 |
| 3 | Nguyen Quang Trung | Deputy director | 315.978.815 |
| 4 | Phan Thi Huong | Head of the Supervisory Board (from 01/05 to 31/12) | 208.559.632 |
| 5 | Pham Thi Hong Hanh | Chief accountant | 288.697.381 |
| Total | | | 1.485.000.000 |

All the above costs are calculated in production costs

b. Approved allowance level for Board members, Supervisory members of the company in 2017:

Applied by decision No. 279/QĐ-TKV 23/02/2017 of General Director of Vietnam national coal - mineral industries holding corporation limited, determine salary levels, salary coefficient of some positions and salary mechanism based on position that was be applied in TKV; record No.1402/TKV - TCNS, 03/04/2017 of General Director, additional guidance regarding of labor administration and salaries.

b. Allowance level

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **Title** | **Monthly allowance** | **Total (VND/month)** |
| 1 | Chairman of the board | 25.700.000 x 20% | 5.140.000 |
| 2 | Board member | 21.000.000 x 20% | 4.380.000 |
| 3 | Member of Supervisory Board | 20.000.000 x 20% | 3.000.000 |

### Allowance level only be applied for current members. It's will be paid when the company complete profit and income target following the resolution of General meeting of shareholders.

All Board members and member of Supervisory will be allowed to advance maximum 80% of monthly allowance. This will be calculated at the end of the year.

c. Salary of Head of the Supervisory Board

In compliance with the decision No. 279/QĐ-TKV, 23/02/2017 of General Manager, determine salary for Head of the Supervisory Board of Joint Stock Company. Monthly salary level of Head of the Supervisory Board is 21.900.000 VND that will be paid when trade union complete income and profit target following resolution of General meeting of shareholders and fulfill responsibility of TKV authorized contract. Monthly salary payment will be followed Payment mechanism of the company and regulations on salary regime, record no. 277/QĐ-TKV, 23/02/2017.

Regarding bonus: Board members and Supervisory member will get bonus on holidays, Tet and other bonus following TKV regulations.

In 2017, if TKV have changed manager’s salary, allowance and salary of Head of the Supervisory Board will be change accordingly.

**Voting results:**

- Agreed: 3.357.204 voting cards, equal 100% total shares have the voting right attend, 93.27% total shares have the voting right of the company,

- Disagreed : 0% voting cards

- Abstention : 0% voting cards

**Article 4. Election audit company list for the fiscal year 2017**

Approved the list of three independent audit firms and authorize for Board of Management to elect, assign one audit company listed (base on competitive price principle, record No. 1521/TKV-TCNS, 07/04/2017 of Chairman of the Members Council, Vietnam national coal - mineral industries holding corporation limited); authorize for company director to sign the audit contract for financial statement of year 2017.

1. **Deloitte Vietnam Company Limited**

* Name for trading: Deloitte Vietnam Co., ltd
* Address: 12A Floor, Vinaconex Tower No. 34 Lang Ha Street, Dong Da District, Hanoi city

1. **AASC Auditing Firm Company Limited**

* Name for trading: AASC., LTD
* Address: 1 Le Phung Hieu, Trang Tien, Hoan Kiem, Hanoi.

1. **BDO audit company limited**

* Name for trading: BDO AUDIT CO., LTD
* Address: 20 Floor, ICON4 Building- No 243A, De La Thanh, Lang Ha, Dong Da, Hanoi

**Voting results:**

* Agreed: 3.357.204 voting cards, equal 100% total shares have the voting right attend, 93,27% total shares have the voting right of the company,
* Disagreed : 0% voting cards
* Abstention : 0% voting cards

**Article 5.** Implementing the resolution

1. This resolution is valid from 26/04/2017
2. All member of Board of Management, Supervisory, and Executive board have responsibility to command implementing this resolution base on functions, duties and right follow The Law and regulation of the company. Board of Management have responsibility to report the result to shareholders on annual general meeting of shareholders in 2018

This resolution was approved by the 2017 Annual Shareholders Meeting on 26 April 2017 of Vinacomin at company office 55 Le Thanh Tong, Ha Long city, Quang Ninh), with 3.357.204 agreed voting, equal 100% total shares have the voting right attend, 93,27% total shares have the voting right of the company,