**GEG: Annual General Mandate 2019**

On 26 Apr 2019, Gia Lai Electricity Joint Stock Company announced the Annual General Mandate No. 01/ 2019 / NQ – DHDCD as follows:

**Article 1:** Approve content of the reports as follows:

1. The report on activities in 2018 and plan for 2019 of Board of Directors of the Company (details in the documents for the Meeting)
2. The report on result of implementing tasks in 2018 of Audit Committee of the Company (details in the documents for the Meeting)
3. The report of Executive Board on result of production and business activities in 2018 and business operation plan for 2019 of the Company (details in the documents for the Meeting)
4. The report on changing plan to use proceeds (details in the documents for the Meeting)
5. The report on result of managing Science and Technology Fund of the Company (details in the documents for the Meeting)

Approve transferring the amount of VND 573,245,101 to 2019 to continue to use it to serve researching the research topics of the Company

**Article 2:** Approve the audited financial statement 2018 of the Company with the main contents as follows:

1. Separate financial statement
	1. Balance sheet

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Target** | **Unit** | **Year 2017** | **Year 2018** |
| I | Total assets | VND million | 1,367,098 | 3,909,383 |
| 1 | Short – term assets | VND million | 294,766 | 966,416 |
| 2 | Long – term assets | VND million | 1,072,332 | 2,942,967 |
| II | Resources  | VND million | 1,367,098 | 3,909,383 |
| 5 | Payable debts | VND million | 201,024 | 1,741,576 |
| 6 | Owner’s equity | VND million | 1,166,074 | 2,167,807 |

* 1. Income statement

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Target** | **Unit** | **Year 2017** | **Year 2018** |
| 1 | Total revenue | VND million | 345,852 | 377,755 |
| 2 | Total expenses | VND million | 201,594 | 240,577 |
| 3 | Net profit from financial activities | VND million | 144,258 | 137,178 |
| 4 | Other income | VND million | 4,570 | 15,011 |
| 5 | Other expenses | VND million | 10,451 | 3,102 |
| 6 | Other profit | VND million | (5,881) | 11,909 |
| 7 | Total accounting profit before tax | VND million | 138,377 | 149,087 |
| 8 | Current corporate income tax | VND million | 8,269 | 10,196 |
| 9 | Deferred corporate income tax | VND million | (599) | 599 |
| 10 | Profit after tax | VND million | 130,707 | 138,292 |

1. Consolidate financial statement
	1. Balance sheet

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Target** | **Unit** | **Year 2017** | **Year 2018** |
| I | Total assets | VND million | 1,658,609 | 4,360,559 |
| 1 | Short – term assets | VND million | 485,811 | 1,229,873 |
| 2 | Long – term assets | VND million | 1,172,798 | 3,130,686 |
| II | Resources  | VND million | 1,658,609 | 4,360,559 |
| 5 | Payable debts | VND million | 340,592 | 1,952,624 |
| 6 | Owner’s equity | VND million | 1,318,017 | 2,407,935 |

* 1. Income statement

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Target** | **Unit** | **Year 2017** | **Year 2018** |
| 1 | Total revenue | VND million | 557,093 | 578,943 |
| 2 | Total expenses | VND million | 317,937 | 371,850 |
| 3 | Net profit from financial activities | VND million | 239,156 | 207,093 |
| 4 | Other income | VND million | 2,186 | 2,423 |
| 5 | Other expenses | VND million | 10,905 | 2,577 |
| 6 | Other profit | VND million | (8,719) | (154) |
| 7 | Total accounting profit before tax | VND million | 230,437 | 206,939 |
| 8 | Current corporate income tax | VND million | 21,417 | 20,639 |
| 9 | Deferred corporate income tax | VND million | (281) | (967) |
| 10 | Profit after tax | VND million | 209,301 | 187,267 |

**Article 3:** Approve a number of transactions with connected persons of the Company

1. Approve signing the contracts between Gia Lai Electricity Joint Stock Company and the enterprises named in the list attached to documents for the Meeting). Value of the contracts is equal to or greater than 35% of total assets of the Company, which is recorded in nearest financial statement of the Company. Details are as follows:
* Main contents of the transactions related to activities of the Company including: purchase and sale of electricity; purchase, sale, supply of products, machinery, tools, materials, assets; purchase and sale of share/ capital; construction and installation; transfer, liquidation of assets and investment of the Company, of subsidiaries; financial investment, project investment; borrowing, leasing, guarantee, implementation of the measures to ensure but not inclusive of providing loans or guarantees to the Company’s shareholders and related persons of the shareholders according to regulations of the law,
* Specific value of each transaction is determined according to each time and each specific activity on the basis of ensuring benefits of the Company
1. Execution time: from the date of approval of Board of Directors to next annual General Meeting of Shareholders
2. Implementation responsibility
* Assign Board of Directors of the Company to decide the specific case and implement in a way that suits the actual situation, charter and internal regulations of the Company
* Board of Directors have the authority to authorize Board of Managers to approve this transactions and Board of Manager take responsibility for reporting to Board of Directors about the contents of implementation at the nearest Board meeting and these transactions must be implemented in the way that complies with regulations of law on reporting and disclosing information.

**Article 4:** Select an audit company for financial statement 2019 of the Company

Authorize Board of Directors to select one audit company as the Audit Company for financial statement 2018 of the Company in accordance with the request of Supervisory Board from the list of audit companies approved by the Ministry of Finance and the State Securities Commission

**Article 5:** Supplement business lines of the Company

1. Supplement the following business lines:
* Supplement the detail of the business line “Other professional, scientific and technical activities n.e.c” (code: 7490): Renewable energy consulting; energy audit
* Adjust and supplement the detail of the business line “Architectural and engineering activities and related technical consultancy.” (code: 7110)
* Supplement the detail of the business line “Technical testing and analysis.” (code 7120)
* Scientific research and technological development in the field of science and technology (code 7212)
* Renting and leasing of other machinery, equipment and tangible goods (code: 7730)
1. Amend Clause 1 of Article 3 of charter of the Company on the Company’s business lines (after being amended and supplemented according to the content in the Section 1 of this Article)
2. Authorize Board of Directors – legal representative of the Company to:
* Decide the implementation of necessary procedures to change the Company’s business registration in compliance with the regulations of State law; or
* Select appropriate time to register the change, supplement the mentioned business lines or not amend and supplement the business lines depending on actual situation of the Company and report result of the implementation to the nearest General meeting of Shareholders.

**Article 6:** Approve the plan to develop wind power

Approve the plan to develop wind power projects and authorize Board of Directors of the Company to implement the contents as follows:

* Decide the issues related to researching, selecting and implementing the investment in the potential and effective wind energy projects with total investment not more than VND 45 billion/MW (exclusive of value added tax)
* Execution time: from the date when this plan is approved by the General meeting of Shareholders to the date when the replaced General Mandate is issued

**Article 7:** Approve the plan to distribute profit of 2018 of the Company

*Unit: VND million*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Targets** | **Unit** | **Plan for 2018** | **Implementation of 2018** |
| 1 | Total revenue | VND million | 346,901 | 329,766 |
| 2 | Total expenses | VND million | 235,477 | 243,679 |
| 3 | Profit before tax (3 = 2 – 1) | VND million | 111,313 | 149,087 |
| 4 | Corporate income tax | VND million | 16,635 | 10,795 |
| 5 | Profit after corporate income tax (5 = 3 – 4) | VND million | 94,678 | 138,292 |
| 6 | Appropriation of funds | VND million | 7,574 | 11,064 |
| 6. 1 | - Investment and development fund ((5) \* 3%) | VND million | 2,840 | 4,149 |
| 6. 2 | - Bonus fund and welfare fund ((5) \* 5%) | VND million | 4,734 | 6,915 |
| 7 | Remaining profit after making appropriations of funds (7 = 5 – 6) | VND million | 87,104 | 127,228 |
| 8 | Bonus for exceeding plan | VND million |  | 3,489 |
| 9 | Remaining profit transferred from the previous year | VND million |  | 44,202 |
| 10 | Undistributed profit | VND million | 87,104 | 167,941 |
| 11 | Dividend rate | % |  | 7 % |

(The bonus for exceeding the plan = the difference between realized profit and expected profit x 8%)

Dividend payment form: ask approval for paying dividend of 2018 in cash with the dividend rate of 7% from the General meeting of Shareholders. Execution time: in 2019. Authorize the Board of Directors of the Company to implement the procedures for dividend payment according to the regulations.

**Article 8:** Approve business operation plan for 2019 and plan to distribute profit of 2019 of the Company:

1. Business operation plan for 2019

|  |  |  |
| --- | --- | --- |
| - Total revenue | 663,850 | VND million |
| + Revenue from electricity production and trading | 602,181 | VND million |
| + Revenue from service supply activities  | 6,903 | VND million |
| + Financial revenue and other income | 54,767 | VND million |
| - Total expenses | 506,751 | VND million |
| - Profit before tax | 157,099 | VND million |
| - Profit after tax  | 141,389 | VND million |

1. Expected plan to distribute profit of 2019

|  |  |  |
| --- | --- | --- |
| - Appropriation of investment and development fund (3%) | 4,242 | VND million |
| - Appropriation of bonus fund and welfare fund (5%) | 7,069 | VND million |
| - Remaining profit after making appropriations of funds | 130,078 | VND million |

* Expected total consolidate revenue: VND 1,013.8 billion; consolidate profit before tax: VND 240.2 billion
* Dividend rate (expected): at least 10%
* Authorize Board of Directors of the Company to decide dividend rate, payment form and time to advance dividend of 2019 of the Company in accordance with business situation and financial situation of the Company and on the basis of optimizing benefits of the Company’s shareholders
* If the realized profit after tax is higher than the expected profit after tax, the Meeting will authorize chair of Board of Directors to decide the bonus (maximum of 8% of the profit exceeding the plan) for the Company.

**Article 9:** Approve the plan to issue share under Employee Stock Ownership Plan with the specific contents as follows:

* Name of issuer: Gia Lai Electricity Joint Stock Company
* Name of share: share of Gia Lai Electricity Joint Stock Company (stock code: GEG)
* Issue plan: issue share under Employee Stock Ownership Plan (ESOP)
* Entities: the managers of Gia Lai Electricity Joint Stock Company, including:

+ Board of Directors and Executive Board of the Company

+ Head of the units under the Company

* Purpose of the issue:

+ Thanks for the contribution of employees in the past time

+ Encourage employees

+ Improve the duty, responsibility and rights of employees

+ Develop remuneration policies to maintain and develop existing high quality human resources

+ Strive to fulfill the tasks assigned by the General meeting of Shareholders; bring increasing value-added to the Company’s shareholders

* Total number of outstanding shares: 194,182,550 shares
* Rate of additionally issued shares: 5% of total number of outstanding shares of the Company
* Total number of shares expected to be issued: 9,709,127 shares
* Total number of shares after the share issue under ESOP: 203,891,677 shares
* Type of issued share: common share
* Par value: VND 10,000/ share
* Issue price: VND 11,000/ share
* Restriction on transfer:

+ 30% of number of shares will be restricted to be transferred within 6 months from the date of issue

+ 70% of number of shares will be restricted to be transferred within 1 year from the date of issue

* Distribution criteria: seniority, position and term of undertaking high managerial or professional positions and other adjusted criteria
* Rounding method: Number of shares distributed to the Company’s employees will be rounded down to tens digit.
* Method of handling odd-lot shares and unsold share: Number of odd-lot shares arising because of rounding down and employees’ refusal to purchase will be cancelled or distributed to other entities by the chair of Board of Directors on the basis of approved distribution criteria
* Recovery decision: During the transfer restriction period, shares of the employees participating in the ESOP who do not continue to contribute to the development of the Company will be revoked according to regulation of the ESOP
* Time to issue (expected): in the second quarter of 2019
* Plan to use the proceeds from the share issue: total expected proceeds from issuing share under Employee Stock Ownership Plan (VND 106,800,397,000) will be used to supplement working capital of the Company
* Authorize Board of Directors to:

+ Decide the detailed plan (supplement, adjust, complete or change above plan according to the State management agencies so that the share issue under ESOP will be completed in accordance with the law).

+ Build and apply the regulation on issuing share under ESOP on the basis of the issue plan approved by the General meeting of Shareholders

+ Decide the list of the Company’s employees who have right to purchase share

* Authorize chair of Board of Directors to:

+ Research, decide cancelling or distributing the number of odd-lot shares arising because of rounding down or unsold shares arising because of the shareholders’ refusal to purchase to other entities on the basis of approved distribution criteria

+ Implement the procedures with State agencies and related organizations to implement the share issue in accordance with regulations of the law

+ Implement necessary works to change content of the Company’s charter capital in the Company’s business registration certificate and charter after completing the share issue

+ Implement necessary procedures for registering additional depository and transactions of additionally issued shares according to above plan in accordance with regulations of the law.

**Article 10:** Approve the plan to change stock exchange

1. Approve the plan to change stock exchange of total number of issued shares of Gia Lai Electricity Joint Stock Company in 2019 (current stock exchange: Ho Chi Minh City Stock Exchange - HOSE)
2. Authorize Board of Directors of the Company to decide and implement all necessary works and procedures to change stock exchange of securities GEG from UPCOM to HOSE

**Article 11:** Approve remuneration and estimate the operating expense in 2019 of Board of Directors and the agencies under the Board of Directors.

Increase remuneration of Board of Directors and estimate the operating expense of Board of Directors and the agencies under the Board of Directors to implement the tasks assigned by the General meeting of Shareholders: maximum of VND 3 billion from the profit after tax according to the audited financial statement 2019 as follow:

* Increase remuneration of Board of Directors as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Position** | **Number of persons** | **Remuneration** |
|  | Board of Directors  |  | VND 130 million/ month |
| 1 | Chair of Board of Directors  | 1 | VND 30 million/ month |
| 2 | Member of Board of Directors  | 5 | VND 20 million/ month |

* Estimate the operating expense of Board of Directors and the agencies under the Board of Directors for the implementation of the tasks assigned by the General meeting of Shareholders: no more than VND 1,310,000,000

**Article 12:** Approve dismissing and electing members of Board of Directors

1. Dismiss Mr. Deepak Kh. Channa from member of Board of Directors of the Company from 24 Apr 2019
2. Elect Mr. Jean – Paul Pinard as additional member of Board of Directors of the Company from 24 Apr 2019

**Article 13:** Implementation

* Board of Directors of the Company is responsible for the implementation, supervision and report the implementation of this Annual General Mandate
* This Annual General Mandate takes effect from the date of signature.