**PVO: Annual General Mandate 2020**

On 27 May 2020, PV OIL LUBE Joint Stock Company announced the annual General Mandate 2020 as follows:

Article 1: Approve the reports presented at the annual General Meeting of Shareholders, including:

1.1 Report on the activities of the Board of Directors in 2019 and the operation direction for 2020

1.2 Report on production and business activities in 2019 and production and business plan for 2020

Table 1.1: Business performance results in 2019

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| No | Indicator | Unit | Realization in 2018 | Plan in 2019 | Realization in 2019 | Rate of completing the plan 2019 | % compared to 2018 |
| 1 | Production of lubricant | M3 | 3,721.57 | 3,800.00 | 3,098.01 | 82% | 83% |
| 2 | Sales of lubricant | M3 | 4,003.76 | 3,950.00 | 3,475.06 | 88% | 87% |
|  | - Finished products | M3 | 3,895.63 | 3,800.00 | 3,404.59 | 90% | 87% |
|  | - Merchandise | M3 | 108.13 | 150.00 | 70.47 | 47% | 65% |
| 3 | Petroleum sales | M3 | 6,864.83 | 8,000.00 | 9,159.06 | 114% | 133% |
|  | - Petrol | M3 | 6,698.98 | 8,000.00 | 9,158.39 | 114% | 137% |
|  | - Other (Naptha) | M3 | 165.85 |  | 0.67 |  |  |
| 4 | Total revenue | VND billion | 246.27 | 274.19 | 236.16 | 86% | 96% |
| 5 | Total cost | VND billion | 212.94 | 237.50 | 200.23 | 84% | 94% |
| 6 | Gross profit | VND billion | 33.33 | 36.70 | 35.92 | 98% | 108% |
| 7 | Financial income | VND billion | -0.44 |  | 0.50 |  |  |
| 8 | Operation expense | VND billion | 36.20 | 35.08 | 34.38 | 98% | 95% |
| 9 | Profit | VND billion | -2.87 | 1.01 | 1.94 | 192% | 248% |
| 10 | Other profit | VND billion | 4.65 |  | -1.44 |  |  |
| 11 | Profit before tax | VND billion | 1.33 | 1.01 | 0.506 | 50% | 38% |

Table 1.2: Operation plan for 2020

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| No | Indicator | Unit | Plan in 2019 | Realization in 2019 | Ratio of realization/ plan 2019 | Plan 2020 | % compared to 2019 |
| 1 | Production of lubricant | M3 | 3,800.00 | 3,098.01 | 82% | 3,800.00 | 123% |
| 2 | Sales of lubricant | M3 | 3,950.00 | 3,475.06 | 88% | 3,890.00 | 112% |
|  | - Finished products | M3 | 3,800.00 | 3,404.59 | 90% | 3,800.00 | 112% |
|  | - Merchandise | M3 | 150.00 | 70.47 | 47% | 90.00 | 128% |
| 3 | Petroleum sales | M3 | 8,000.00 | 9,159.06 | 114% | 7,000.00 | 76% |
|  | - Petrol | M3 | 8,000.00 | 9,158.39 | 114% | 7,000.00 | 76% |
|  | - Other (Naptha) | M3 |  | 0.67 |  |  |  |
| 4 | Total revenue | VND billion | 274.19 | 236.16 | 86% | 220.98 | 94% |
| 5 | Total cost | VND billion | 237.50 | 200.23 | 84% | 184.75 | 92% |
| 6 | Gross profit | VND billion | 36.70 | 35.92 | 98% | 36.23 | 101% |
| 7 | Financial income | VND billion | 0.00 | 0.50 |  | - |  |
| 8 | Operation expense | VND billion | 35.08 | 34.38 | 98% | 35.23 | 102% |
| 9 | Profit | VND billion | 1.01 | 1.94 | 192% | 1.00 | 52% |
| 10 | Other profit | VND billion | 0.00 | -1.44 |  |  |  |
| 11 | Profit before tax | VND billion | 1.01 | 0.506 | 50% | 1.00 | 196% |

1.3 Report on operation of the Supervisory Board in 2019 and operation plan for 2020

1.4 Audited financial statement of 2019

Article 2: Approve the following statements:

2.1 Statement on remuneration of the Board of Directors and the Supervisory Board in 2019

- Chairman of the Board of Directors: 1 person x VND 6,500,000 x 12 months = VND 78,000,000

- Member of the Board of Directors: 3 people x VND 3,500,000 x 12 months = VND 126,000,000

- Remuneration of the Supervisory Board:

+ Remuneration for members of the Supervisory Board: 1 person x VND 2,000,000 x 12 months = VND 24,000,000

+ Remuneration for members of the Supervisory Board (working until April 10, 2019): 1 person x VND 2,000,000 x 3.5 months = VND 7,000,000

Total: VND 235,000,000

2.2 Remuneration plan for the Board of Directors and the Supervisory Board in 2020:

a. Remuneration for the Board of Directors, working on the part-time basis

- Remuneration of Chair of the Board of Directors: 1 person x VND 6,500,000 VND x 12 months = VND 78,000,000

- Remuneration for members of the Board of Directors: 3 people x VND 3,500,000 12 months = VND 126,000,000

b. Remuneration of the Supervisory Board working on the part-time basis:

- Remuneration for part-time member of the Supervisory Board: 1 person x VND 2,000,000 VND x 12 months = VND 24,000,000

The total remuneration for members of the Board of Directors and the Supervisory Board in 2020: expected to be VND 228,000,000

Member of the Board of Directors cum the Director of the Company and the Head of the Supervisory Board of the Company are paid in accordance with the Company's salary payment policy

2.3 Statement on 2019 profit distribution plan

Table 2.1 Plan on 2019 profit distribution

|  |  |  |  |
| --- | --- | --- | --- |
| No | Indicator | Plan on 2019 profit distribution | |
| Rate (%) | Value (VND) |
| 1 | Total profit after tax |  | 506,511,377 |
| 2 | Extraction to funds (2 = 1\*40%) | 40% | 202,604,550 |
|  | - Welfare Reward Fund | 20% | 101,302,275 |
|  | - Investment Development Fund | 20% | 101,302,275 |
| 3 | Total profit after extracting to funds (3 = 1-2) | 60% | 303,906,827 |
| 4 | Retained profit of the previous year |  | (-4.608,244) |
| 5 | Profits used for dividend distribution (5 = 3 + 4) |  | 299,298,583 |
| 6 | Dividend payment | 0%/ charter capital | 0 |
| 7 | Undistributed profit transferred to the next year (7 = 5-6) |  | 299,298,583 |

Table 2.2: Profit distribution plan for 2020

|  |  |  |  |
| --- | --- | --- | --- |
| No | Content | Description | Value (VND) |
| 1 | Total profit after tax | Profit after tax | 800,000,000 |
| 2 | Extraction to funds | A maximum of 40% of profit after tax (\*) | 320,000,000 |
|  | - Welfare Reward Fund |  |  |
|  | - Investment Development Fund |  |  |
| 3 | Total profit after extracting to funds | (3 = 1-2) | 480,000,000 |
| 4 | Retained profit of the previous year |  | 299,298,583 |
| 5 | Profits used for dividend distribution | (5 = 3 + 4) | 779,298,583 |
| 6 | Dividend payment | (\*) |  |

Note: (\*): Extracting to funds and dividend payment are made in accordance with General Mandate 2019, in accordance with Circular 200/2014/TT-BTC, Circular 28/2019/TT-BLDTBXH and regulations of the State

2.4 Statement on selection of an audit unit

Authorizing the Board of Directors to select one of the auditing units in the list below to audit the financial statement of 2020 and review quarterly financial statements:

- Ernst & Young Vietnam Auditing Co., Ltd

- KPMG Co., Ltd

- An Viet Auditing Co., Ltd

- Deloitte Vietnam Company Limited

- AFC Vietnam Auditing Company Limited

2.5 Approving the election of Mr. Ho Duc Phong to replace Mr. Nguyen Anh Tuan, member of the Supervisory Board for term of 2019 – 2024

Article 3: Members of the Board of Directors, Supervisory Board, Management Board and shareholders of the Company are responsible for implementing the contents of the General Mandate in accordance with Charter of PV OIL LUBE Joint Stock Company.