**VSA: Corporate Governance Report of the first 06 months of 2020**

**CORPORATE GOVERNANCE REPORT**

**(First 06 months of 2020)**

Company: Vietnam Ocean Shipping Agency Corporation

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Charter capital: VND 140,964,860,000

Stock code: VSA

1. **General Meeting of Shareholders’ Activities**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Resolution/ Decision No.** | **Date** | **Content** |
| 1 | 01/2020/NQ-DHDCD | 23/06/2020 | Article 1: Approve the Annual report and the FS 2019 (audited)  - Total revenue: VND 905,252,994,383  - Profit before tax: VND 42,194,940,181  - Profit after tax: VND 36,313,548,374  - Basic earnings per share: VND 2,241/ share  Article 2: Approve profit distribution plan for 2019:   |  |  |  | | --- | --- | --- | | **No.** | **Targets** | **Amount (VND)** | | 1 | Investment & development fund | 10,894,064,512 | | 2 | Bonus & welfare fund | 4,357,625,805 | | 3 | Foreign funds for business development | 726,270,967 | | 4 | Bonus fund for managers | 144,000,000 |   - Dividend payment of 2019: The Company shall not pay dividend temporarily.  If Covid-19 pandemic is controlled and according to operating result and balance the cash flow for operating and investing, Board of Directors will make plan to pay dividend and present at the General Meeting of Shareholders for deciding the reasonable dividend rate (by method: gather opinions directly at the Meeting or by documents according to the Charter and the enterprise law)  Article 3: Approve operating plan for 2020:   |  |  |  |  | | --- | --- | --- | --- | | **No.** | **Targets** | **Exercised in 2019** | **Plan for 2020** | | 1 | Total revenue | 905,252,994,383 | 843,000,000,000 | | 2 | Profit before tax | 42,194,940,181 | 42,000,000,000 | | 3 | Profit after tax | 36,313,548,374 | 36,200,000,000 |   - Dividend rate and funds extract rate mentioned above will be based on the operating result in 2020. If the Company gains the Profit after tax equal or higher than it in the plan for 2020 then dividend rate in 2020 won’t lower than dividend rate in 2019.  Article 4: Approve investing plan for 2020:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **No.** | **Name of projects** | **Sectors/ scale** | **Total investment** | **Capital** | **Execution date** | | I. Quang Ninh VOSA | | | | | | | a | Clearance after the adjustment of the National Assembly 2010 | 10,200 m2 | 6,500 | Equity capital | 2018-2020 | | b | Construction of protective fences adjacent to the route of Cai Lan Industrial area, Gate No.2 warehouse area, weighbridge 80 tons and guard house | Build 450md fences, weighbridge 80 tons, guard house | 2,700 | Equity capital | After Clearance  (2018-2020) | | c | Renovate office for Quang Ninh VOSA at Cai Lan - Cai Lan customs office area after liquidation and the current office | 1,100 m2 | 3,750 | Equity capital | 2020 (forward) | | d | Fix and replace the lighting and security system | Fix and replace | 1,200 | Equity capital | 2020 (forward) | | e | Fix equipment, corrugated iron roof, ventilation system of warehouse 1A | Fix and renovate | 1,500 | Equity capital | 2020 (forward) | | 2. NORTHFREIGHT | | | | | | |  | Automatic fire extinguishing system of CFS warehouse | Set up for 2,834 m2 for CFS | 1,200 | Equity capital | 2020 | | 3. HAI PHONG VOSA | | | | | | |  | Renovate and fix warehouse | Renovate and fix | 300 | Equity capital | 2020 | | 4. SAI GON VOSA | | | | | | |  | SAI GON VOSA office building | Sell Basement + 09 floors (ground floor, Mezzanine, Terrace, stairs roof and 06 floors): 361.1 m2 | 5,000 | Equity capital | QI.2020 – QII.2020 | | 5. VUNG TAU VOSA | | | | | | |  | Fix and repair façade of HQ | Fix and repair | 120 | Equity capital | QII.2020 | | 6. Approve undertakings for investment and research | | | | | | | a | Undertakings for research on expanding inland port project and ICD port project at Bac Ninh area for serving transshipment and collecting goods from the North | | | | | | b | Undertakings for research on investing the commercial area No.25 project at Dien Bien Phu, Hai Phong (service and commercial) | | | | | | c | Undertakings for research on building warehouses and wharves at QUY NHON VOSA | | | | | | d | Undertakings for research on building warehouses at district No.7, Ho Chi Minh | | | | | | e | Undertakings for research on expanding warehouse (Mobile warehouse from buying used-containers) | | | | |   - Total: VND 22,270,000,000  - Capital: Investment & development fund  Article 5: Approve selecting auditor for the FS 2020  - Authorize Board of Directors to select auditor:  + AASC Auditing Firm Company Limited  + KPGM Vietnam  + TTP Auditing Company Limited  Article 6: Approve amending the Charter and Internal regulations on governance  - Amend the Charter and Internal regulations on governance  Article 7: Approve establishing 02 sub-committees for Board of Directors: Human resources & strategy sub-committee; Internal audit and project appraisal sub-committee under Board of Directors;  - Authorize Board of Directors to establish sub-committees when necessary  - Authorize Board of Directors to amend and adjust members for sub-committees and approve Operating regulations, governance structure and Charter of sub-committees; Board of Directors have responsibility to report the operations of sub-committees via the report of the year and present at the Annual General Meeting of Shareholders  Article 8: Approve remuneration for Board of Directors, Board of Supervisors, person in charge of corporate governance and bonus for managers in 2019 and plan for 2020  - Members of Board of Directors: average VND 9,000,000/person/month  - Member of Board of Supervisors: average VND 6,000,000/person/month  - Person in charge of corporate governance: VND 4,000,000/person/month  Bonus fund for managers of the Company:  - Exercised in 2019: VND 144,000,000  - Plan for 2020: 1% Profit after tax if the profit in 2020 equal operating result higher than the targeted profit. The maximum extract according to Decree No.53.2016/ND-CP dated 13/06/2016 and Circular No. 28/2016/TT-BLDTBXH dated 01/09/2016 of Ministry of Labor, War Invalids and Social Affairs.  Article 9: Approve resigning/ dismissing and electing members for Board of Directors  - Approve Mrs. Nguyen Thi Thanh Trang resigned from member of Board of Directors on 23/06/2020 to focus on governing the Company  - Appointing Mrs. Nguyen Thi Thanh Ha as member of Board of Directors term 04 (2019-2014) on 23/06/2020 |

**II. Board of Director (BOD)**

1. General Information of Board of Director (BOD)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Members of BOD** | **Title** | **The beginning date of being (not being) BOD** | **Attendance** | **Rate** | **Reasons for not attending** |
| 1 | Do Tien Duc | Chairman | 26/06/2019 | 4/4 | 100% |  |
| 2 | Trinh Vu Khoa | Member of Board of Directors | 04/06/2014 | 4/4 | 100% |  |
| 3 | Nguyen Thi Thanh Trang | Member of Board of Directors | 04/06/2014 | 4/4 | 100% |  |
| 4 | Nguyen Bich Thao | Member of Board of Directors | 26/06/2019 | 4/4 | 100% |  |
| 5 | Tran Hong Quang | Member of Board of Directors | 26/06/2019 | 4/4 | 100% |  |
| 6 | Ngo Thanh Tung | Member of Board of Directors | 3105/2018 | 2/4 | 50% |  |
| 7 | Nguyen The Tiep | Member of Board of Directors | 26/06/2019 | 4/4 | 100% |  |
| 8 | Nguyen Thi Thanh Ha | Member of Board of Directors | 23/06/2020 | - | - |  |

2. The supervision by Board of Directors over Board of Managers of the Company

3. Activities of sub-committees of Board of Directors of the Company: none

4. Resolutions and decisions of Board of Directors of the Company

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Resolution/ Decision No.** | **Date** | **Content** |
| 1 | 01/2020/NQ/HDQT.NK4 | 09/01/2020 | Article 1: Board of Directors shall not approve the operating report in 2019 temporary  Article 2: Approve missions and solutions as follows:  1. For strategic directions of the Company:  Approve amended organization and operation Charter with stable and lasting strategic directions and operating targets associated with investment in each phase  2. For Internal governance regulations:  a. Approve draft of the financial governance  b. Approve basic contents for regulations  c. Authorize Board of Directors – Mrs. Nguyen Bich Thao to build the regulations on rotation of leadership personnel in accordance with the laws and standard, targets and abilities according to the operating result to renew the governance at branches and present to Board of Directors to decide  d. Request Board of General Managers stops paying losses and other expenses for unprofitable branches. Those branches have to balance themselves for operation.  3. For Information Technology application for governance:  - Approve buying 03 software and deploying in QII.2020:  Electronic office management software; Operate governance software; Auditing and Financial management software.  4. For organize structure and personnel work:  - Establish 02 sub-committees: Human resources & strategy sub-committee; Internal audit and project appraisal sub-committee under Board of Directors;  - Approve undertakings on streamlining management apparatus  - Request for criteria according to BSC-KPI targets to renovate the quality of work and higher standard life for labors  5. For governance and use of resources and improve the efficiency of exploitation and use of housing and warehouses of the Company:  a. Financial resource: Open bank account at least 04 credit institutions to maximize the use of capital  b. use of housing and warehouses of the Company: Authorize Board of General Managers and branches to cooperate closely with the Company to work with ministries and committees to be approved the housing and warehouse use plan of VOSA according to Decree No.167/2017/ND-CONNECTED PERSON and present to the Company  6. Budget for making internal governance regulations of the Company:  - Board of Directors approve supporting budget for making internal governance regulations  Article 3: Board of Directors approves the operating plan for 2020 temporary: Total revenue: VND 900 billion and Profit before tax: VND 42 billion  Article 4: Plan for organizing the Annual General Meeting of Shareholders 2020: Works for QI.2020 of Board of Directors |
| 2 | 01/2020/NQ/HDQT.NK4-THYK | 12/02/2020 | Reappoint Mr. Trinh Vu Khoa – General Manager of Quang Ninh branch |
| 3 | 02/2020/NQ/HDQT.NK4-THYK | 10/03/2020 | Reappoint Mr. Nguyen Gia Hien – General Manager of Sai Gon branch |
| 4 | 03/2020/NQ/HDQT.NK4-THYK | 17/03/2020 | Accept Vice General Manager keep negotiating and signing contract with Vietcombank – Ho Chi Minh branch to extend guarantee credit of the Company |
| 5 | 02/2020/NQ/HDQT.NK4 | 17/03/2020 | Article 1: Plan for organizing the Annual General Meeting of Shareholders 2020  1. Extend the Meeting date no longer than 30/06/2020  2. Organize the Annual General Meeting of Shareholders 2020 within 05/2020  Article 2: Auditing report on the FS 2019:  - Board of Directors approve the auditing report |
| 6 | 03/2020/NQ/HDQT.NK4 | 17/04/2020 | Article 1: Report on Resolution No.01/2020/NQ/HDQT.NK4 dated 09/01/2020  Article 2: Contents present at the Annual General Meeting of Shareholders 2020  Article 3: Send operating plan for 2020 to branches  Article 4: Operating report of QI.2020, exercised in QII.2020 and expectation for operating result of 2020 in the situation of Covid-19 pandemic  Article 5: Personnel works |
| 7 | 04/2020/NQ/HDQT.NK4-THYK | 28/05/2020 | Reappoint Mr. Nguyen Gia Hien – General Manager of Sai Gon branch |
| 8 | 05/2020/NQ/HDQT.NK4-THYK | 24/06/2020 | Approve the operating result in 2019 and plan for 2020 |
| 9 | 06/2020/NQ/HDQT.NK4-THYK | 15/06/2020 | Undertakings on appoint Mr. Trinh Vu Khoa – Member of Board of Directors – Vice General Manager for the General Manager title |
| 10 | 07/2020/NQ/HDQT.NK4-THYK | 15/06/2020 | 1. Approve resignation letter of Mr. Nguyen Minh Hien – General Manager of Can Tho VOSA and end the contract with him  2. Board of Directors request employees to implement regulations of Can Tho branch to stabilize operations and complete assigned missions |
| 11 | 04/2020/NQ/HDQT.NK4 | 15/06/2020 | Article 1: reports and result of assigned missions according to resolutions of Board of Directors  Article 2: Reports in the first 05 months of 2020 and review the operating situation in 2020 of Board of General Managers  Article 3: Prepare for the Annual General Meeting of Shareholders 2020  Article 4: Personnel works |
| 12 | 08/2020/NQ/HDQT.NK4-THYK | 19/06/2020 | Change contents on dividend payment in 2019 in the submission presented to the Annual General Meeting of Shareholders 2020:  The Company shall not pay dividend temporarily. If Covid-19 pandemic is controlled and according to operating result and balance the cash flow for operating and investing, Board of Directors will make plan to pay dividend and present at the General Meeting of Shareholders for deciding the reasonable dividend rate (by method: gather opinions directly at the Meeting or by documents according to the Charter and the enterprise law) |
| 13 | 09/2020/NQ/HDQT.NK4-THYK | 19/06/2020 | 1. Dismiss members of Board of Directors:  2. Elect 01 member for Board of Directors:  Mr. Nguyen Thi Thanh Ha was appointed temporary as Member of Board of Directors term 04 (2019-2024) from 23/06/2020 by the Annual General Meeting of Shareholders 2020. |

**III. Board of Supervisors (BOS)**

1. General Information of Supervisory Board (BOS)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No** | **Members of BOS** | **Tittle** | **The beginning of date of being BOS** | **Attendance** | **Rate** | **Reasons for not attending** |
| 1 | Hoang Viet | Head of Board of Supervisors term 4 | 04/06/2014 | 2/2 | 100% |  |
| 2 | Nguyen Hong Hai | Member of Board of Supervisors term 4 | 26/06/2019 | 2/2 | 100% |  |
| 3 | Tran Thi Hanh | Head of Board of Supervisors term 4 | 31/05/2018 | 2/2 | 100% |  |

2. Surveillance activities of the Supervisory Board toward the Board of Directors, Board of General Managers and shareholders of the Company

3. The coordination among the Supervisory Board with the Board of Directors, Board of Managers and other managers of the Company

4. Other activities of Supervisory Board of the Company (if any): none

**IV. Training on corporate governance**

**V. List of connected persons/ institutions:** Listed under the provisions of Clause 34, Article 6 of the Law on Securities and transactions of connect persons of the Company to Company

1. List of connected persons/ institutions of the Company: detailed in Appendix 01

2. Transactions between the Company and its PDMRs, transactions between the Company and its major shareholders, PDMRs and connected persons of the PDMRs: None

3. Transactions between the Company and its PDMRs, transactions between connected persons of the PDMRs and subsidiaries of the Company, the companies that the Company controls: None

4. Other transactions between the Company and other entities: None

4.1 Transactions between the Company and the company whose member of Board of Directors, members of Supervisory Board, Manager (General Managers) have been founding members or member of Board of Directors, Manager (General Managers) in recent 03 years (calculated from the date of making the report): None

4.2 Transactions between the Company and the company whose connected persons of member of Board of Directors, members of Supervisory Board, Manager (General Managers) have been founding members or member of Board of Directors, Manager (General Managers): None

4.3 Other transactions of the Company (if any) which may bring material or spiritual benefits to member of Board of Directors, members of Supervisory Board, Manager (General Managers): None

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

1. **List of PDMRs and their connected persons/ institutions: attached in Appendix 02**

2. Transactions of PDMRs and their connected persons/ institution on shares of the listing company: None

**VII. Others issues: None**

Appendix 02: the list of PDMRs and connected person of PDMRs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Name** | **Position of PDMR at the company (if any)** | **Shareholding at the end of the term** | **Shareholding percentage at the end of the term (%)** | **Note** |
| 1 | Do Tien Duc | Chairman | 0 | 0 |  |
| 1.8 | Vinalines | Member of Board of Directors | 0 | 0 |  |
| 2 | Trinh Vu Khoa | Member of Board of Directors and General Manager | 1,089 | 0.008 |  |
| 3 | Nguyen Thi Thanh Trang | Member of Board of Directors and Vice General Manager | 1,452 | 0.01 |  |
| 3.8 | Nyk Auto Logistics Vietnam Co., Ltd | Member of Board of Directors | 0 | 0 |  |
| 4 | Nguyen Bich Thao | Member of Board of Directors | 3,630 | 0.02 |  |
| 5 | Nguyen Thi Thanh Ha | Member of Board of Directors | 0 | 0 |  |
| 5.7 | Vinalines | Deputy director of port management and cargo services | 7,196,838 | 51.05 |  |
| 6 | Tran Hong Quang | Member of Board of Directors | 980,540 | 6.95 |  |
| 6.1 | Dao Thi Thanh Hai | none | 3,300 | 0.02 |  |
| 7 | Ngo Thanh Tung | Member of Board of Directors | 0 | 0 |  |
| 8 | Nguyen The Tiep | Member of Board of Directors | 0 | 0 |  |
| 9 | Hoang Viet | Head of Board of Supervisors | 0 | 0 |  |
| 9.5 | Vinalines | Deputy of Finance and Auditing department | 7,196,838 | 51.05 |  |
| 10 | Nguyen Hong Hai | Member of Board of Supervisors | 0 | 0 |  |
| 10.6 | Vinalines | Member Internal control Board | 7,196,838 | 51.05 |  |
| 10.7 | Can Tho Port Joint Stock Company | Head of Board of Supervisors | 0 | 0 |  |
| 10.8 | Vinalines – Nha Trang Branch | Head of Board of Supervisors | 0 | 0 |  |
| 11 | Tran Thi Hanh | Member of Board of Supervisors | 0 | 0 |  |
| 12 | Vu Trung Thang | Deputy of Finance and Auditing department | 605 | 0.004 |  |
| 13 | Tran Cong Toan | Secretary - deputy director of the General Department of Irrigation | 605 | 0.004 |  |