

## **PROPOSAL TO THE GENERAL MEETING OF SHAREHOLDERS**

### **RE: Placement for key leaders of PNJ and subsidiaries in 2018**

Based on:

- *Law on Securities No. 70/2006/QH11 dated 29/06/2006; Law on amendment and supplement to some Articles of Securities Law No. 62/2010/QH12 dated 24/11/2010 and documents stipulating, guiding the enforcement of Securities Law and Law on amendment.*
- *Decree No.58/2012/NĐ-CP dated 20/07/2012 of the Government on stipulating details and providing guidelines for the enforcement of some Articles of Securities Law and Law on amendment.*
- *Circular No. 162/2015/TT-BTC dated 26/10/2015, guidelines on public offering, share swap, insurance of additional shares, repurchase shares, sale of treasury shares and tender offer.*
- *Charter of organization and operation of Phu Nhuan Jewelry Joint Share Company.*

The employee stock ownership program (ESOP) application since 04/2013 has brought such positive results as:

- Retail jewelry revenue in 2014 increased 54% compared with 2013, profit after tax increased 51% y.o.y.
- Retail jewelry revenue in 2015 increased 45% compared with 2014, gross profit increased 32% y.o.y, profit after tax increased 54% y.o.y (cost of financial investment excluded).
- Retail jewelry revenue in 2016 increased 32% compared with 2015; gross profit increased 21% y.o.y, profit after tax increased 21% y.o.y (excluded cost of financial investment).
- Retail jewelry revenue in 2017 increased 36.5% compared with 2016, gross profit increased 35% y.o.y, profit after tax increased 41% y.o.y (excluded cost of financial investment).

For three consecutive years 2015 – 2016 – 2017, PNJ was voted to be one of the best workplaces in Vietnam according to the research by The Nielsen Company Ltd and Anphabe Joint Share Company. PNJ has become an attractive recruiter brand in labor market. By introducing ESOP, PNJ will have more opportunities to recruit talents, creating momentum for PNJ's development in 2018 and the coming years.

In 2018, in order to continue the policy of attracting and developing highly qualified human resources, we would like to propose the General Meeting of Shareholders to consider and approve the employee stock ownership plan with the following contents:

### **1. Purpose of the ESOP:**

- Recognition the contribution of BOD's members and key managers to the dramatic growth and outstanding improvements in the business operation of PNJ and subsidiaries
- Business targets in 2018 set a high growth rate and require high efforts from all workforces, especially key managers. The ESOP will be a reward to recognize the contribution of managers or employees in the company or its subsidiaries.
- Creating motivation for employees to excellently perform their tasks.
- Enhancing the role, responsibilities and improve the benefits of the workforces to encourage them to strive and share the company's achievements.
- Attracting and retaining enthusiastic, highly qualified, experienced key staffs and experts.

### **2. The employee stock ownership plan:**

- Name of share: Phu Nhuan Jewelry JSC share
- Type of share: Common share
- Par value of share: 10,000 VND/share
- Charter capital of Company after the capital-increase placement from equity: 1,621,526,965,000 VND
- Number of outstanding shares: 162,151,987 shares
- Number of shares expected to be issued: 4,864,560 shares, equivalent to 3% of the number of outstanding shares after the capital-increase placement from equity.
- Total value of placement at par value: 48,645,600,000 VND
- Charter capital after placement: 1,670,172,565,000 VND
- Issuing price: 20,000 VND/share
- Subject of placement: Employees who are outstanding member of BOD, excellent key staffs, mid-level staffs of PNJ and its subsidiaries having great contribution to the establishment and development of the company and achieving personal KPI. List and number of buyable shares in detail will be approved by the BOD.
- Restrictions on transfer: 30%/ number of restrictive shares within 12 months, 30%/ number of restrictive shares within 24 months and 40%/ number of restrictive shares within 36 months from the completion of the placement.
- Shares withdrawal: If employees leave for any reason, the company will repurchase the number of their currently transfer-restricted shares at the price 20,000 VND/share to make treasury shares.
- Expected time of placement: After the completion of the capital-increase placement from equity. Specific placement time will be decided by the BOD.

### **3. Registration of listing and depositing all additional issued shares:**

All additional issued share will be listed on the Ho Chi Minh Stock Exchange and deposited at the Vietnam Securities Depository after the completion of the placement.

### **4. Authorizing the Board of Directors on issues related to the placement:**

The General Meeting of Shareholders shall authorize the Board of Director to make decision on all matters related to the employee share ownership program, specifically:

- Approving criteria for selecting employees to buy shares, list and number of shares to be purchased;

- Perform necessary procedures to register the shares issuance at the State Securities Commission (SSC) and explain them to SSC (if any);
- Supplement or amend the issuance plan at the request of the SSC or for the compliance with relevant laws (if any);
- Perform procedures for registration of new charter capital increase at the Department of Planning and Investment of Ho Chi Minh City after the end of the share issuance;
- Amendments relating to charter capital, shares and stocks in the Charter of organization and operation of the Company after the completion of the share issuance to be in line with the issuance result;
- Perform necessary procedures for registration of listing and depository of all additional issued shares at the Ho Chi Minh Stock Exchange and the Vietnam Securities Depository;
- Other relevant issues to complete the assigned task.

Respectfully be submitted to the AGM for consideration and approval.

**Recipients:**

- BOD, SB;
  - GD;
  - PNJ shareholders;
  - Filed at: BOD; Clerk;
- P

**CHAIRWOMAN OF THE BOARD OF DIRECTORS**

(Signed and sealed)

**CAO THI NGOC DUNG**