

PROPOSAL
TO THE 2020 ANNUAL GENERAL MEETING OF SHAREHOLDERS
Ref: Stock issuance under the employee stock ownership program 2020

Pursuant to:

- *Securities Law No. 70/2006/QH11 dated June 29, 2006; Law Amending and Supplementing some of Articles of the Securities Law No. 62/2010/QH12 dated November 24, 2010 and documents guiding and implementing the Securities Law and the Law /amending and supplementing some of articles of the Securities Law;*
- *Decree No. 58/2012/NĐ-CP dated July 20, 2012 of the Government detailing and guiding the implementation of some of articles of the Securities Law and the Law Amending and Supplementing some of Articles of the Securities Law;*
- *Circular No. 162/2015/TT-BTC dated October 26, 2015 Guiding the public offering of securities, offering shares to swap, issue additional shares, repurchase stocks, sell stocks funds and public bid;*
- *Charter of organization and operation of Phu Nhuan Jewelry Joint Stock Company.*

According to the content in the 2018 Annual Report and the strategic orientation for 2019 approved by the Annual General Meeting of Shareholders on April 20, 2019, the policy of issuing ESOP for the Board of Directors and key leaders when PNJ achieves/exceeds Profit after tax plan for 2019, details are as follows:

- Issuance of shares under the employee selection program (ESOP): corresponding to 1% of the outstanding shares.
- If exceeding the after-tax profit: Every exceeding 1%/plan of profit after tax is issued 0.03%/number of outstanding shares; but guaranteed not to exceed 0.5%/number outstanding shares.

Based on the audited consolidated financial statements in 2019 made by PwC (Vietnam) Limited, PNJ's consolidated profit after tax in 2019 reached VND 1,193.9 billion, equivalent to 101.03%. (exceeded 1.03%) compared to the profit plan approved by the General Meeting of Shareholders.

On the basis of the policy approved by the General Meeting of Shareholders as above, the Board of Directors proposes to the General Meeting of Shareholders to consider and approve the issuance of shares under the employee selection program in 2020 with the following content:

1. Purpose of issuing stocks under the employee selection program:

- Recognize the effort of members of the Board of Directors, Board of Management and key managers/employees who have contributed to the growth of PNJ and its subsidiaries.
- The issuance of shares under the employee choice program will be a reward to recognize the performance of the Board of Directors, the Executive Board and key managers/employees who have contributed. for the company or its subsidiaries.
- Create motivation for the Board of Directors, the Board of Directors and the leading managers/staff to successfully complete the task.
- Attract and retain talented and experienced talents.



2. Plan for issuing shares under the Employee Choice Program (ESOP) in 2020:

- Name of stock: Shares of Phu Nhuan Jewelry Joint Stock Company.
- Type of stock: Common stock.
- Par value of shares: 10,000 VND/share.
- Charter capital of the Company after the completion of the issuance of shares to increase capital from equity (expected): 2,252,935,850,000 VND.
- Number of Treasury shares as of December 31st, 2019: 105,409 shares
- Number of shares outstanding at the time of ESOP share issuance (expected): 225,188,176 shares.
- Total expected number of shares issued: 2,391,438 shares (*), equivalent to 1.03% of the outstanding shares after completing the issuance of capital raising from equity. *(In which: 1% reward for reaching the after-tax profit plan and 0.03% bonus for exceeding the after-tax profit plan for 2019).*
() The actual number of ESOP shares issued will be adjusted according to the Company's charter capital at the time of the issuance, ensuring a ratio of 1.03% of the outstanding shares issued under the plan approved by the General Meeting of Shareholders.*
- Total value of par value issued (expected): 23,194,380,000 VND
- Expected charter capital after the issuance: 2,276,130,230,000 VND.
- Issuing target:
 - + Members of the Board of Directors, members of the Executive Board, key leaders, mid-level officials, key employees of PNJ and subsidiaries have contributed positively in exceeding the business plan in 2019. The specific criteria, list and number of stocks to be purchased in detail are approved by the Board of Directors.
- Issuing price: 20,000 VND/share.
- Transfer restriction:
 - + 100%/number of stocks restricted within 12 months, 70%/number of stocks restricted from transfer within 24 months and 40%/number of stocks restricted within 36 months from the date of completing the round released.
 - + All additional shares issued by the Company paying dividends by shares and/or bonus stocks from equity/treasury stock received by employees from the number of ESOP shares during the time of transfer restriction, the transfer will be restricted in proportion and the time corresponding to the number of ESOP shares that are restricted from transfer.
- Stock revocation: Applicable when employees leave before the end of the transfer restriction period, except for cases in which stocks are not withdrawn or repurchased at market prices/agreed prices according to the BOD's regulations.
 - + Stock revocation method: The Company will repurchase the number of shares that are restricted from transfer from the leaving staff as treasury shares. All shares withdrawn or repurchased according to this regulation will become freely transferable stocks.
 - + Price of stock revocation:
 - o ESOP shares issued are limited transfer of employees: 20,000 VND/share.
 - o Number of additional shares received by the leaving employees (if any) from the Company paying dividends by shares and/or bonus shares from equity/treasury stocks within a transfer restriction time: The Company will recover accordingly without paying any costs.
- Issuance time expected: The specific issuance time is decided by the Board of Directors.

3. Registration and registration of listing of all additional shares issued:

All additional shares issued will be registered at the Vietnam Securities Depository and registered for listing at Ho Chi Minh City Stock Exchange after completion of shares issuance.

4. Authorizing the Board of Directors issues related to the issuance of stocks:

The General Meeting of Shareholders authorizes the Board of Directors to decide all issues related to the issuance of shares under the employee selection program, specifically:

- Redefining the number of shares issued according to the Company's actual charter capital at the time of implementation;
- Approving criteria for selecting key leaders, mid-level officials and key employees to buy shares, lists and number of shares to be purchased.
- Carrying out the necessary procedures to register for issuance of shares with the State Securities Commission (SSC) and explaining to the SSC (if any);
- Adding or modifying the issuance plan at the request of the SSC or for the purpose of complying with relevant law provisions (if any);
- Carrying out the procedures for registering a new charter capital increase with the Ho Chi Minh City Department of Planning and Investment after the issuance of stocks;
- Amendment of terms related to charter capital, shares, shares in the Company's Charter of organization and operation after completing the issuance of shares to match the issuance results;
- 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 related jobs to complete the assigned work contents.
- For the repurchase of shares of employees on leave: The General Meeting of Shareholders authorizes the Chairperson of the Board to decide all matters related to the repurchase and withdrawal of shares, including but not limiting the approval of the form and quantity of shares repurchased and withdrawn in installments, implementing procedures for registration with the SSC in accordance with regulations (if any);

Proposing to the General Meeting of Shareholders for review and approval.

Recipients:

- BOD, SB
- CEO
- PNJ Shareholders
- Archived: BOD
- Archived

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**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRWOMAN**



CAO THI NGOC DUNG