

No.: 3008/NQ-PVCFC

*Ca Mau, November 27<sup>th</sup>, 2023*

**RESOLUTION**

**Approving the scheme for the restructuring of  
PetroVietnam Ca Mau Fertilizer Joint Stock Company (PVCFC) by 2025**

**BOARD OF DIRECTORS  
PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY**

*Pursuant to Charter of PetroVietnam Ca Mau Fertilizer Joint Stock Company adopted by the General Meeting of Shareholder;*

*Pursuant to Board of Directors Meeting Minutes no. 12/BB-PVCFC-2023 dated November 21<sup>st</sup>, 2023 of PVCFC's Board of Directors.*

**RESOLVED:**

**Article 1.** Approving the scheme for the restructuring of PetroVietnam Ca Mau Fertilizer Joint Stock Company (PVCFC) by 2025, details as outlined in the attached Appendix.

**Article 2.** The General Director is to draft specific plans, proposals, roadmaps for the execution of the Restructuring Scheme in an efficient manner, in compliance with legal provisions and the Company's Charter.

**Article 3.** This Resolution is effective from the date of issuance. The Board of General Directors, Head of committees, units within PetroVietnam Ca Mau Fertilizer Joint Stock Company are to carry out this Resolution./.

*C/c:*

- As Article 3;
- Company's Party Committee (to report);
- BOD, SB;
- Filed: Archive.

**FOR BOARD OF DIRECTORS  
CHAIRMAN**

*(signed & sealed)*

**Tran Ngoc Nguyen**

**APPENDIX:**  
**SCHEME FOR THE RESTRUCTURING OF PVCFC BY 2025**  
*(Attach to Resolution No 3008/NQ-PVCFC dated November 27<sup>th</sup>, 2023 of the BOD)*

**I. 2021-2025 Five-Year Plan Objectives**

**1. Development perspectives and principles**

➤ **Perspectives**

- Commit to providing nutritional solutions for plants that bolster a robust fertilizer supply chain, enhance food security, and elevate the value of agricultural products of Vietnam.

- Foster the Company's growth with a governance model aligned with international standards, supporting the State's Tam Nong policy, and driving towards modernization, sustainable, and eco-friendly agricultural development.

- Advance the agrochemicals sector and embrace clean energy initiatives, aligning with the global energy transition trend and the development orientation of the Vietnam Oil and Gas Group.

➤ **Principles of development**

- Prioritize the sustainable development of the fertilizer sector, expand selective investment in agricultural value chains to enhance added value, and boost production and business efficiency.

- Focus on developing branded, high-quality products that align with emerging technological trends, eco-friendly.

- Commit to maintaining Trust with customers as a dependable resource for farmers.

- Uphold a strong sense of responsibility towards the community and society. Strive for a balance of interests, demonstrate readiness to share responsibilities with stakeholders.

**2. Overall objectives**

- Focus on improving PVCFC's operational and resource efficiency to bolster its competitive advantage, with the goal of becoming one of the leading corporations in fertilizer production and trade in Vietnam and Southeast Asia by 2025.

- Ensure the Ca Mau Fertilizer Plant and all PVCFC Plants operate in a safe, stable, and efficient manner; focus on sustainable growth of the fertilizer sector, enrich the value chain, diversify product offerings, increase competitiveness and operational efficiency.

- Continue restructuring, streamlining organizational structure to eliminate redundant functions and tasks across departments, divisions, and units within PVCFC.

- Successfully implement the approved development Strategy and the production and business plan for the 2021 - 2025 period.

**II. Arrangement, divestment, restructuring company**

**1. Ownership restructuring**

According to the scheme for restructuring of PVN for the 2021 - 2025 period, the Board of Members of Vietnam Oil and Gas Group has proposed the Commission for the

Management of State Capital at Enterprises (CMSC), via document no. 2365/DKVN - HDTV to recommend the Prime Minister approve the plan for PVN to maintain 75.56% of charter capital at PVCFC. The specifics of PVN's divestment from PVCFC shall be determined upon the Prime Minister's approval of the scheme for restructuring of PVN for the 2021-2025 period. PVN's ownership percentage in PVCFC shall follow the scheme for restructuring of PVN as approved by competent authorities.

PVCFC shall actively explore avenues to increase its charter capital, aligning with its revenue growth rate and development scale of PVCFC; continue collaborating with strategic investors to facilitate the roadmap for divestment of state capital post-2025 in accordance with the approved restructuring scheme.

PVCFC shall maintain its ownership percentage at 51.03% in its subsidiary, PetroVietnam Packaging Joint Stock Company.

## **2. Organizational restructuring**

- Maintain the operation of existing Committees/Boards/Offices, establish a new Board of Directors Office and New Products & Agricultural Solutions Division.

- Maintain 02 Branches: Branch - R&D Center, Branch - Specialized Project Management Board.

- Establish a Company Branch - Ca Mau Fertilizer Plant.

### **2.1. Establishment of New Products & Agricultural Solutions Division**

To conduct production and business activities according to the Company's strategic direction of product diversification, the Company is dedicated to developing new, high-quality fertilizer categories, aligning with emerging technological trends, eco-friendly. Delivering a suite of plant nutrition solutions across the agricultural value chain to enhance added value and boost production and business efficiency. Ensure the R&D (Research and Development Center) outputs complement the Marketing (Marketing Division) strategic inputs; the Marketing outputs are designed to complement the business strategic inputs, and business outputs are requirements for R&D strategic inputs.

On that basis, PVCFC established the New Products & Agricultural Solutions Division to perform the following tasks:

- Determine a synchronous development roadmap for R&D, Marketing, and Business, with each phase meeting the company's strategic objectives.

- Formulate development projects tailored to each new Product group.

- Formulate development projects aimed at expanding suites of agricultural solutions.

### **2.2. Establishment of Board of Directors Office**

In alignment with corporate governance best practices, which are instrumental in the success of many leading companies, the Company is set to establish a specialized Board of Directors Office. This entity shall be dedicated to enhancing the efficiency of both advisory and support functions provided to the Board of Directors.

The Board of Directors Office shall operate as a unit to offer direct and consistent assistance to the Board of Directors, functioning under the direct supervision and authority of the Board of Directors. The Board of Directors Office has the following functions:

- Perform administrative, clerical, and secretarial duties as directed by the Board of Directors; recording minutes and keeping archives of resolutions, decisions, and other documents from the General Meeting of Shareholders and the Board of Directors.

- Execute the directives issued by the Chairman and Members of the Board of Directors to conduct activities fall within the scope and authority of the BOD and Chairman of BOD.

- Facilitate communication and coordination between the Board of Directors and various departments within the apparatus, control, manage the Company and external organizations and individuals.

- Provide assistance to the BOD in managing relationships with shareholders, investors, and securities market regulatory bodies.

- Offer counsel and recommendations to the BOD and its Chairman on policy-making and decision-making processes to address issues within the board's responsibilities and authority.

### **2.3. Establishment of Company Branch - Ca Mau Fertilizer Plant and Units**

Establishment of branch of PetroVietnam Ca Mau Fertilizer Joint Stock Company - Ca Mau Fertilizer Plant. After transitioning to the Branch model, the Ca Mau Fertilizer Plant's operational structure (including advisory and assisting units) has been streamlined. Departments with overlapping functions and tasks have been merged, and new departments/units have been established to fulfill their respective functions and duties. Accordingly, the operational structure has been reorganized as follows: The existing operational apparatus of the Ca Mau Fertilizer Plant has been officially transferred to become part of the Branch of Ca Mau Petroleum Fertilizer Joint Stock Company - Ca Mau Fertilizer Plant.

- Food CO<sub>2</sub> production project: Upon completion and commencement of operations, in the initial phase, the project shall be organized as a technology cluster under the Auxiliary Workshop. Once the project meets the requisite criteria, it shall be split into an independent production workshop in conjunction with the Argon/Nitrogen/Oxygen industrial gas production project.

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- Green Hydrogen production project (Green Hydro): By 2025, the first phase of the project is expected to be completed. The project shall be staffed with the existing workforce from the Ca Mau Fertilizer Plant, negating the need for new personnel recruitment.

### **2.4. M&A deal for NPK Factory in the Southeast Region**

Following the M&A deal, an LLC (Limited Liability Company) shall be established to manage the operations of the NPK factory. As planned, PVCFC shall acquire all existing personnel from the acquired entity and only add additional key personnel from PVCFC (including the Legal Representative and Chief Accountant). The total number of personnel shall be 100 individuals. Management and personnel plan:

- In the first phase (1-2 years) following the M&A, PVCFC shall maintain the current business entity form of the target Company. PVCFC shall assume ownership and managing the Company within a parent-subsidary structure.

- Personnel arrangement plan: In accordance with the Seller's request and the present staffing conditions, the Target Company shall initiate dismissal protocols for its management personnel prior to the execution of handover procedures; for the non-management staff, the Seller shall request PVCFC to uphold their existing employment contracts for a duration of 2 years post-M&A. All human resources policies shall be implemented in accordance with prevailing regulations and shall adhere to the stipulations of the Labor Code of Vietnam.

### **3. Restructuring corporate governance, finance, human resources, technological innovation, digital transformation, development of supply chains**

- Continue to improve management frameworks, procedural systems, bylaws, internal regulations;

- Continue to consolidate and strengthen, innovate, improve the effectiveness of the management and executive apparatus; undertake a comprehensive review, establishment, and innovation of corporate governance model tailored to the unit's operational domain. This includes a commitment to crafting/establishing mechanisms that facilitate the safe and efficient execution of investment opportunities; bolster financial and accounting controls, ensure financial stability, improve operational efficiency, capital preservation and growth;

- Embrace an active role in environmental protection by contributing to Vietnam's commitments to net-zero emissions by 2050 as announced at COP26.

- Strategically manage and use of appropriate personnel, optimize available human resources, high-quality and specialized; foster labor resources, elevate the unit's operational capabilities to meet international standards and best corporate governance practices;

- Invest in the continuous development and training of personnel to enhance the overall quality of human resources;

- Promote the application of modern technologies, new engineering initiatives to boost production, business efficiency, and labor productivity;

- Commit to digital transformation and the digitization of all aspects of production and business operations;

- Thorough review and evaluation of investment projects to ensure they follow suitable roadmaps, maintain capital and resource equilibrium; Reinforce the management of units and investment project, guarantee investment progress and efficiency in compliance with regulations;

- Continue to develop integrated models, connect the value chain with units in the same sector for investment collaboration in production and business to increase value across the chain, improve operational efficiency, all in line with PVN's regulations and orientations for the overarching coordination relationship with the Vietnam Oil and Gas Group, as stipulated by PVN's Charter and legal provisions;

- Strengthen inspection, auditing, internal control, risk management; prevent corruption. wasteful expenditure./.