

No.: 25 /NQ-DHĐCĐ

Ho Chi Minh City, May 2015

RESOLUTION

**Adopting the Charter on Organization and Operation of the Science and
Technology Development Fund of PetroVietnam Fertilizer & Chemicals
Corporation - JSC**

**THE GENERAL MEETING OF SHAREHOLDERS OF PETROVIETNAM
FERTILIZER & CHEMICALS CORPORATION – JSC**

- Pursuant to the Law on Enterprise dated 26 November 2014;
- Pursuant to the Charter of PetroVietnam Fertilizer & Chemicals Corporation – JSC adopted by the General Shareholder Meeting on 30 June 2007 and supplemented, amended at the Annual General Meetings of Shareholders held on 5 April 2008, 8 April 2011 and 25 April 2013, respectively;
- Pursuant to the Resolution of the General Shareholder Meeting of PetroVietnam Fertilizer & Chemicals Corporation – JSC No. 23/NQ-DHĐCĐ dated 22 April 2015,

HEREBY DECIDES:

Article 1. To adopt the full text of the Charter of PetroVietnam Fertilizer & Chemicals Corporation - JSC as updated with some supplemented, amended articles according to the Resolution of Annual General Meeting No. 23/NQ-DHĐCĐ dated 22 April 2015 of the General Shareholder Meeting of PetroVietnam Fertilizer & Chemicals Corporation – JSC in accordance with the attached document.

This Charter becomes valid as from 22 April 2015. The articles amended and supplemented on the basis of the Law on Enterprises 2014 will be valid from 01 July 2015.

Article 2. The Board of Directors, the Board of Management, the Supervisory Board, Heads of Divisions/Offices and entities under direct control of PetroVietnam Fertilizer & Chemicals Corporation - JSC shall implement this Resolution./.

Recipients:

- As in Article 2;
- Filed: Archives,
BOD's Office.

**FOR THE GENERAL MEETING OF SHAREHOLDER
CHAIRMAN OF THE BOARD OF DIRECTORS**

Le Cu Tan

**CHARTER ON
ORGANIZATION AND OPERATION OF THE DEVELOPMENT OF
SCIENCE & TECHNOLOGY CORPORATION OF FERTILIZERS &
CHEMICALS PETRO - JSC**

(Issued together with Resolution No./NQ-DHDCD dated 2015 of the General Meeting of Shareholders of PetroVietnam Fertilizer & Chemicals Corporation - JSC)

**CHAPTER I
GENERAL PROVISIONS**

Article 1. Subjects and scope of application

- 1.1 This Charter provides for the organization, management and use of funds and scientific development and technology (hereinafter referred to as the Fund) of PetroVietnam Fertilizer & Chemicals Corporation - JSC (the Corporation).
- 1.2 This Charter applies to the parent company – the Corporation and dependent units of the Corporation.

Article 2. Purpose of establishment

The Fund is an organization established by the Corporation to generate a financial source to invest for scientific and technological activities of the Corporation in Vietnam via research, application and development, technological renovation, renovation of products and streamline of production in order to improve the competitiveness of the Corporation.

Article 3. Interpretations of terms, abbreviations

In this Charter, the abbreviations and terms are understood as follows:

- *S & T*: Science and technology;
- *Corporation*: PetroVietnam Fertilizer & Chemicals Corporation - JSC;
- *Subsidiaries*: The Divisions/Office of the Corporation, the Management Committee (if any), Representative Offices, Plants, Branches, Representative Offices.

Article 4. Sources of the working capital of the Fund

The Fund shall be formed from the following sources:

- 4.1 Part of the income subject to corporate income tax for the tax period of the Corporation, but shall not at maximum exceed 10% of taxable income in the period.

Income subject to corporate income tax shall be determined according to the provisions of the Law on Corporate Income Tax and the documents guiding its implementation after all the losses are carried forward as prescribed.

- 4.2 Other sources as provided for by law.

Chapter II

POWERS AND DUTIES OF FUNDS

Article 5. Duties and powers of the Fund

- 5.1 To receive and manage Science and Technology Development Fund granted by the Corporation, or from other legitimate sources.
- 5.2 To formulate plans of annual financial support for scientific and technological activities of the Corporation.
- 5.3 To grant funding to carry out scientific and technological activities of the Corporation on the basis of the plan approved by the General Meeting of Shareholders or individuals/organizations authorized by the General Meeting of Shareholders to approve.
- 5.4 To inspect, and organize the assessment of, the implementation of the scientific and technological activities using the funding from the Fund.
- 5.5 To coordinate with State agencies in inspection and control as prescribed by law.
- 5.6 Annually, the Fund must make a report on the appropriation, use and declaration of data on the appropriation level and the amount appropriated into the declaration of finalization of corporate income tax. Report on such appropriation and use of the Fund shall be sent to the tax office where the enterprise registers to pay corporate income tax, the Department of Science and Technology and the Department of Finance, the deadline for submission of the report along with the time of submitting the report on finalization of corporate income tax. In addition, the Fund must prepare other reports to submit State competent agencies in accordance with the provisions of law.
- 5.7 The highest authorized level of the Corporation shall be responsible before the law for the operation of the Fund.

Chapter III

ORGANIZATION, MANAGEMENT AND USE OF FUNDS

Article 6. The organizational and operating apparatus of the Fund

The organizational and operational apparatus of the Fund shall comprise the Fund's Director, Deputy Director, Secretary and accounting staff.

- 6.1 Director of the Fund:

The Director of the Fund shall be concurrently assumed by the Chairman of the Board of Directors of the Corporation. The Director of the Fund shall have the following duties and powers:

- a) To organize, administer and manage the activities of the Fund to carry out the duties and powers of the Fund as stipulated in Article 5 and Article 8 of this Regulation.
- b) To nominate the Deputy Director of the Fund, the Fund Secretary and Fund Accountant;
- c) To manage the personnel, assets and capital of the Fund;
- d) To be responsible to the Board of Directors and the General Meeting of Shareholders for the activities of the Fund.

6.2 Deputy Director of the Fund:

The Deputy Director of the Fund shall be appointed by the Director of the Fund and shall perform his/her duties as assigned by the Director of the Fund. The Deputy Director of the Fund has the following duties:

- a) To assist the Fund Director in conducting the duties related to the Fund;
- b) To organize, administer and manage the activities of the Fund when authorized by the Director of the Fund.

6.3 Fund Secretary:

The Fund Secretary shall be appointed by the Director of the Fund and shall perform his/her duties as assigned by the Director of the Fund. The Fund Secretary shall have the following duties:

- a) To draft plans on scientific and technological activities and the demand on using the Fund's capital;
- b) To help the Director of the Fund perform the following tasks: preparing documents, facilitating meetings, implementing the information reporting regime for registration, evaluation and implementation of projects and topics and formation of the Fund's work plan and other related tasks.

6.4 Fund Accountant:

The Fund Accountant shall be appointed by the Director of the Fund and shall perform his/her duties as assigned by the Director of the Fund. the Fund Accountant shall have the following tasks:

- a) To organize the accounting of transactions incurred, settlement and finalization, reporting... in strict accordance with the provisions of law;
- b) To help the Director of the Fund perform other related tasks.

Article 7. Appropriation for the Fund

The General Meeting of Shareholders shall authorize the Board of Directors to approve the annual appropriation level as stipulated in Article 4 of this Regulation.

Article 8. Use of Funds

The use of the Fund resources to serve the objective of scientific and technological development of the Corporation must comply with the provisions of law.

The Fund's capital shall be used to perform the following scientific and technological activities of the Corporation:

8.1. Perform scientific and technological tasks at the national, ministerial, provincial and Group levels relating to the activities of the Corporation.

8.2. Perform scientific and technological tasks of the Corporation

The Corporation must formulate the recommended regulation, define tasks, organize the implementation and acceptance test of the scientific tasks and technologies of Corporation and the rules on expenditure, use of Science and Technology Development Fund of the Corporation to send to the tax office where the Corporation conducts tax registration for the purpose of control. The legal representative of the Corporation shall be responsible to strictly comply to the regulation.

The formulation of the regulation must ensure the principle of openness and transparency within the Corporation.

8.3. Support the scientific and technological development of the Corporation

- a) Equip material-technical facilities for the scientific and technological activities of the Corporation: Develop research and development institutions, the center for analysis, experiment, test, inspection, calibration, product testing; information infrastructure, databases of businesses and statistics on scientific and technological operation; expenditure on the maintenance, preservation and repair of material-technical facilities and equipment in service of scientific and technological activities; other expenses for development of science and technology; the quality management systems of the enterprise;
- b) Purchase use and ownership rights: Technological secrets; technical knowledge about the technology to be transferred in the form of technological plans, technological process, design engineering, technical solutions, formulas, specifications, drawings, technical diagrams, computer programs, information and data; solutions for production streamlining and technological innovation; patents of invention, utility solutions, plant varieties, industrial designs; initiatives; documents, findings, domestic and overseas related products to serve scientific and technological activities of the Corporation;
- c) Purchase machinery and equipment accompanied by objects of technology transfer as provided for in Article 7 of the Law on Technology Transfer to replace in part or in whole the technology that has been used with other more advanced technologies in order to improve productivity, product quality or develop new products of the enterprise;
- d) Pay salaries and expenses for specialists or sign contracts with scientific and technological organizations at home and abroad to carry out scientific and technological activities of the Corporation;

- dd) Pay expenditure for training scientific and technological personnel of the Corporation in accordance with the provisions of legislation on science and technology;
 - e) Pay expenditure for activities on cooperation in science and technology between organizations, individuals and enterprises at home and abroad: activities for survey, finding partners, technology needs at home and abroad; cost for the task of joint research cooperation in the domains of science and technology encouraged and prioritized by the State;
 - f) Pay expenditure for evaluation, testing, validation, promotion, and commercialization of new products and new technology; registration of intellectual property rights.
- 8.4. Pay expenditures for the State fund for science and technology in accordance with the provisions of law.
- 8.5. Pay contributions to the State fund for scientific and technology development in accordance with the provisions of law
- 8.6. Pay for the management of science and technology development fund of the Corporation.

Article 9. Principles on management of the Fund

- 9.1 The Fund shall only be used for activities of investment in science and technology by the Corporation. It is profited to use the capital resources of the Fund to invest in other activities not associated with the development of science and technology of the Corporation in Vietnam or in the scientific and technological projects already funded by other funding sources.
- 9.2 Expenses from the Science and Technology Development Fund of the Corporation shall be documented as prescribed by the rules on spending and use of the Fund. In cases where in the year, the enterprise has the need to use for scientific and technological activities in excess of the amount available in the Fund, the Fund shall be entitled to select accruals of the following years to make up for the deficit or to charge to the expenses to be deducted when determining the income subject to corporate income tax in the tax period.
- 9.3 Where the Corporation has no need to use or use all of Science and Technology Development Fund, the Corporation must pay to the national fund for scientific science and technology development or the fund for scientific and technological development of the ministry in charge, or of the provinces and cities if it is subject to compulsory application as prescribed by law. In the case of non-t mandatory application, the Corporation shall, at its option, contribute or not to contribute to the science and technology development fund of the province or city where the Corporation registers its tax payment. Where it does not fall under the type of contribution to the State funds, within 5 years from the year following the year of appropriation, if the Science and Technology Development Fund of the Corporation is not used or not used up, or used for improper purposes, the Corporation shall pay to the State budget the corporate income tax component based on the income amount having been appropriated

for the fund that is not used or used for improper purposes and the profits arising from such corporate income tax.

- 9.4 Where the Corporation has contributed to the State fund for the development of science and technology, in the case of necessary use of funding for the scientific and technological task, it shall have the right to request assistance from the science and technology development fund.

The science and technology development fund which has received transfer shall be responsible to assist with the same funding amount as the amount already transferred and shall give priority to supporting more in the fund's ability to meet the need according to the estimates of the scientific and technological task.

Article 10. Financial plan and accounting work of the Fund

- 10.1 Annually the Fund makes a financial plan for scientific and technological activities of the Corporation. The General Meeting of Shareholders authorizes the Board of Directors to approve the financial plan for scientific and technological activities according to the annual production and business plan.
- 10.2 The Fund shall account for transactions incurred, settle and finalize them in strict compliance with the provisions of law.

Article 11. Management of the Fund when there are changes in the form of ownership, consolidation, merger, division, separation of the Corporation

- 11.1 When the Corporation has a change in the form of ownership, consolidation or merger, the newly established enterprise from the change in the form of ownership, consolidation and the enterprise merged from the Corporation (if any) succeeds to and is responsible for the management and use of the Fund before such conversion, consolidation or merger in accordance with the provisions of law.
- 11.2 In cases where the Fund has not been used up when performing division, separation from the Corporation, the newly founded enterprise from such division or separation shall succeed to and be responsible for the management and use of the Fund before division, separation from the Corporation.
- 11.3 The General Meeting of Shareholders or the individuals/organizations authorized by the General Meeting of Shareholders to decide on the distribution of the Science and Technology Development Fund assign the Director of the Fund to register with the tax office before the implementation.

Chapter IV

DISSOLUTION AND SUSPENSION OF OPERATION

Article 12. Suspension and temporary suspension

- 12.1 The Fund shall be suspended when violating the law.
- 12.2 The Fund shall be temporarily suspended when:
- a) Operating improperly or not in accordance with the provisions of this Regulation;
 - b) Violating the provisions on the financial management of the Fund and of the State;
 - c) Organizing its management and administration contrary to the provisions of current law;
 - d) Systematically or seriously misusing donations outside the purpose of the organization, individual donors of the Fund;
 - e) Organize donation raising contrary to law.
- 12.3 For the violations referred to in points a, b, Clause 12.2 of this Article, in addition to the suspension or temporary suspension of activities, depending on the nature and seriousness of the breach, the Fund may be subject to administrative sanctions and, if causing damages, it shall pay compensation for damages in accordance with the provisions of law. Depending on the seriousness of the violation, the persons responsible for managing the Fund shall be handled in accordance with the provisions of law.
- 12.4 Within 06 months from the date of suspension of operation, if the Fund repairs, remedies the violations specified in clause 2 of this Article, it shall be examined to operate again in accordance with the provisions of law.

Article 13. Dissolution of the Fund

- 13.1 Depending on the requirements and performance of the Fund, the General Meeting of Shareholders shall have the right to issue a decision on the dissolution of the Fund, and report to the Department of Finance, the Department of Science and Technology, the Department of Taxation of Ho Chi Minh City.
- 13.2 The Fund shall be forced to dissolve in the following circumstances:
- a) Within 12 months from the date of the decision of establish, the Fund fails to operate;
 - b) Not allow the competent authorities to operate again after being temporarily suspended in excess of 06 months from the date the decision on temporary suspension takes effect.

Article 14. Disposal of assets upon dissolution of the Fund

The disposal of assets upon dissolution of the Fund shall comply with the provisions of law as follows:

- 14.1 Upon dissolution of the Fund, inventory of all the assets, capital and liabilities... and reconciliation between accounting books and actual inventory must be conducted to clarify the cause of discrepancies (if any). After payment of all debts and dissolution expenses, the remaining value shall be divided

according to the structure of the original capital formation of the Fund between contribution of the State via corporate income tax exemptions and contributions from the Corporation from its profits.

- 14.2 With regard to the parts originating from the State contributions, they must be totally remitted into the State budget.
- 14.3 It is strictly prohibited to distribute the money and assets of the Fund contrary to law./.