

## ITEM 2.5

# ESG POLICY AND INTRODUCTION OF BOD CANDIDATES

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**NAM LONG**

***EXECUTIVE LONG TERM INCENTIVE PLAN***

**EXECUTIVE STOCK GRANT  
(ESG)**

***April 2015***



# ESG Purposes & Objectives

## 1. Retention



*Ensure retention of key talented leaders/managers within the Company*

## 2. Incentivization



*Incent key talented leaders/managers to deliver the results that will lead to the Company achieving its goals, vision and significant shareholder value creation*

## 3. Ownership



*Ensure key talented leaders/managers think and behave as owners of the Company*

# If Approved by the 2015 AGM, the ESG Will Replace the Profit Sharing and the ESOP Policies, Starting in 2015



# Eligible Participants

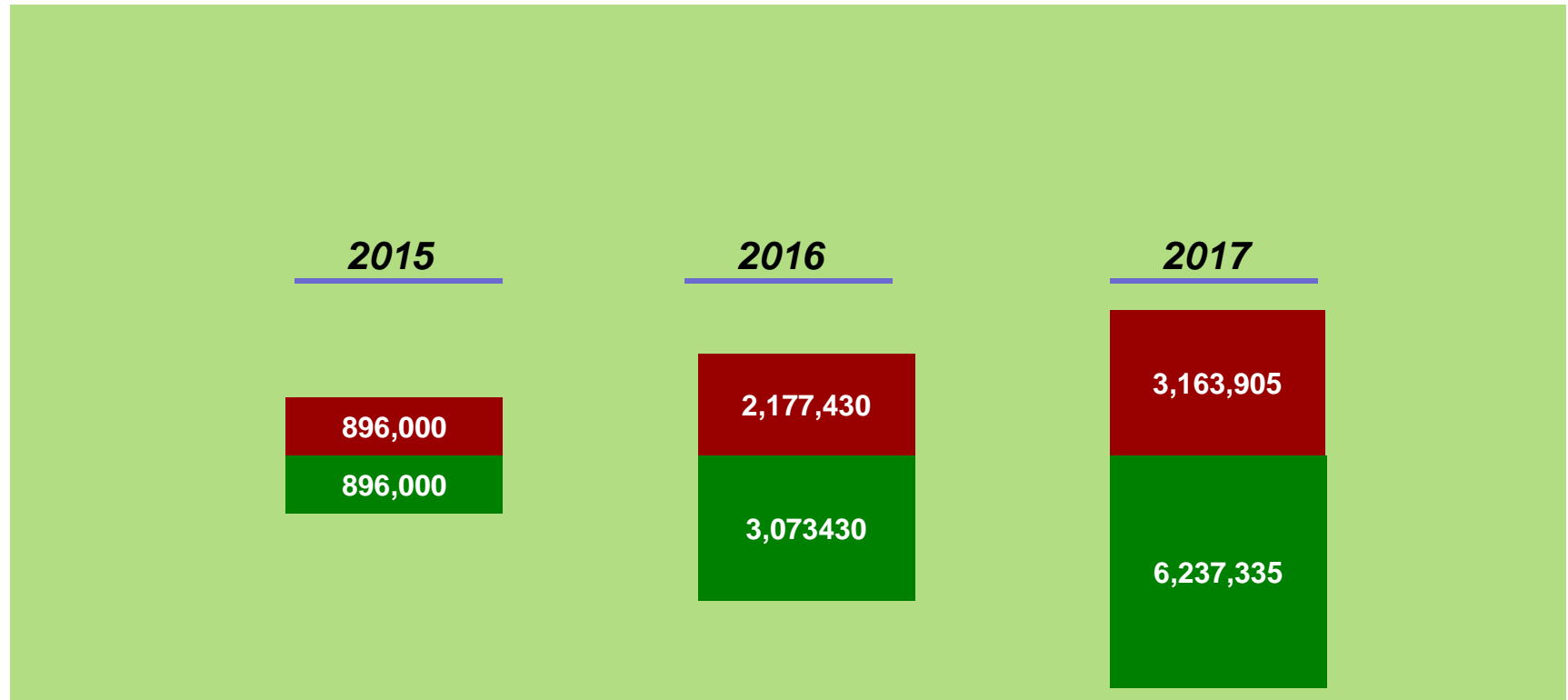
All the executive senior levels from Grade 1 to Grade 4 as per the Company Career Level Structure who have a labor contract with the Company with period of validity one year or longer. This includes:

Group	Participant	Position Grade
<u>Group 1:</u>	CEO	G1
<u>Group 2:</u>	- Deputy CEO-Investment, IR & Finance	G2
	- Executive Director of Inter-division Project Management	G2
<u>Group 3:</u>	Group Directors :	
	- Group CFO	G3
	- Group CIO	G3
	- Group CPO	G3
<u>Group 4:</u>	Division Directors :	
	- Budget & Project Control	G3
	- Project & Legal Development,	G3
	- Design Management,	G3
	- Project & Construction Management	G3
	- Sales & Marketing	G3
<u>Group 5</u>	- Group Lawyer	G3
	- Chief Accountant	G4

# Duration And Size Of Program

1. ESG Program starts based upon company performance starting from year 2015 and will last for 3 years.
2. The next ESG Period will start after the last year of the previous ESG Period and will last for 3 years.
3. With respect to the Article 42 (2) of Company Charter, 5% of the Cumulative Net Profit shall be used to generate the EGS Pool, if
  - the Company achieves at least 75% of the annual net profit target as approved by the BOD, and
  - the ROE is at least 10% in 2016 and 2017.
4. In the base case that the Company achieves 100% of the cumulative net profit and sales targets for 2015 - 2017, participants are granted a cumulative target of 6,237,335 shares. However, it would take more than 3 years for the shares of each ESG Period to fully vest.
5. The number of the ESG shares to be issued will be capped at 7,796,668 shares, equivalent to 125% of the number of shares in the base case.

# Annual ESG: Base Scenario



*Annual ESG share granted if the Company achieve 100% of the net profit target and 100% of the sales target*



*Cumulative ESG share issuance*

# What Is Meant By Cumulative Target

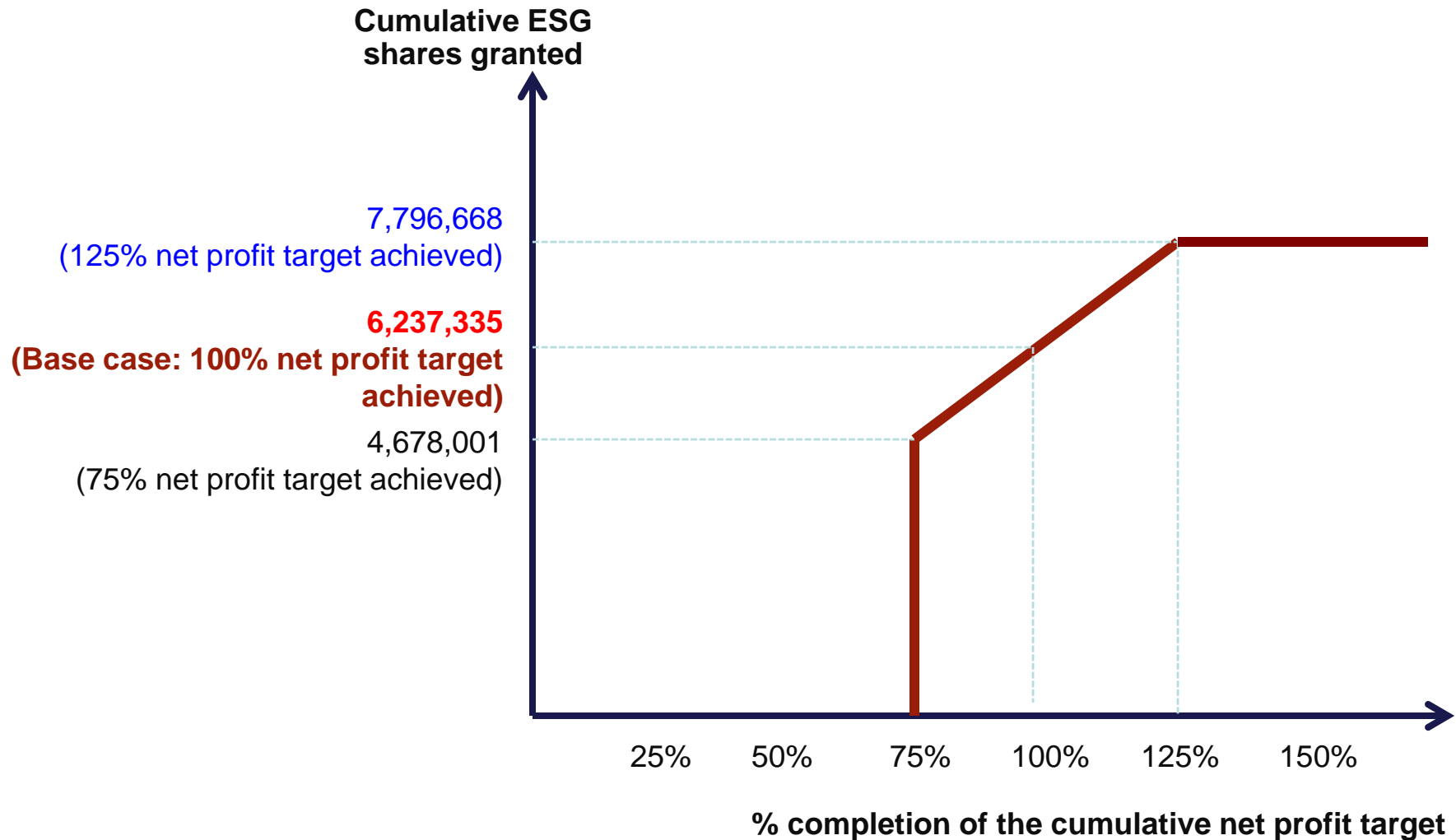
ESG Performance Factors	<u>3 YEARS BP TARGET</u>			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total Target 3 Yrs</u>
Target annual net profit / NP (VND Bn)	179	435	633	1,247
Target cumulative NP (VND Bn)	179	615	1,247	1,247
Total sales value (VND Bn)	2,584	3,753	5,242	11,579
Target cumulative sales (VND Bn)	2,584	6,337	11,579	11,579

## Notes:

- Sales refers to the value of sales contracts that are signed and deposited.
- 2015 net profit and sales targets are based on the 2015 most updated business plan by the BOM, and subject to final approval by the BOD and the 2015 Annual General Shareholders Meeting.
- The 2016 – 2017 net profit targets are based on the BOM’s commitment, and subject to final approval by the 2015 Annual General Shareholders Meeting.
- The 2016 – 2017 sales targets are for reference only, and will subject to approvals by the BOD and the shareholders.
- Any future of ESG Period will also capture cumulative performance of the final year in the previous ESG Period.



# Size Of The ESG Pool, Based On Net Profit Performance

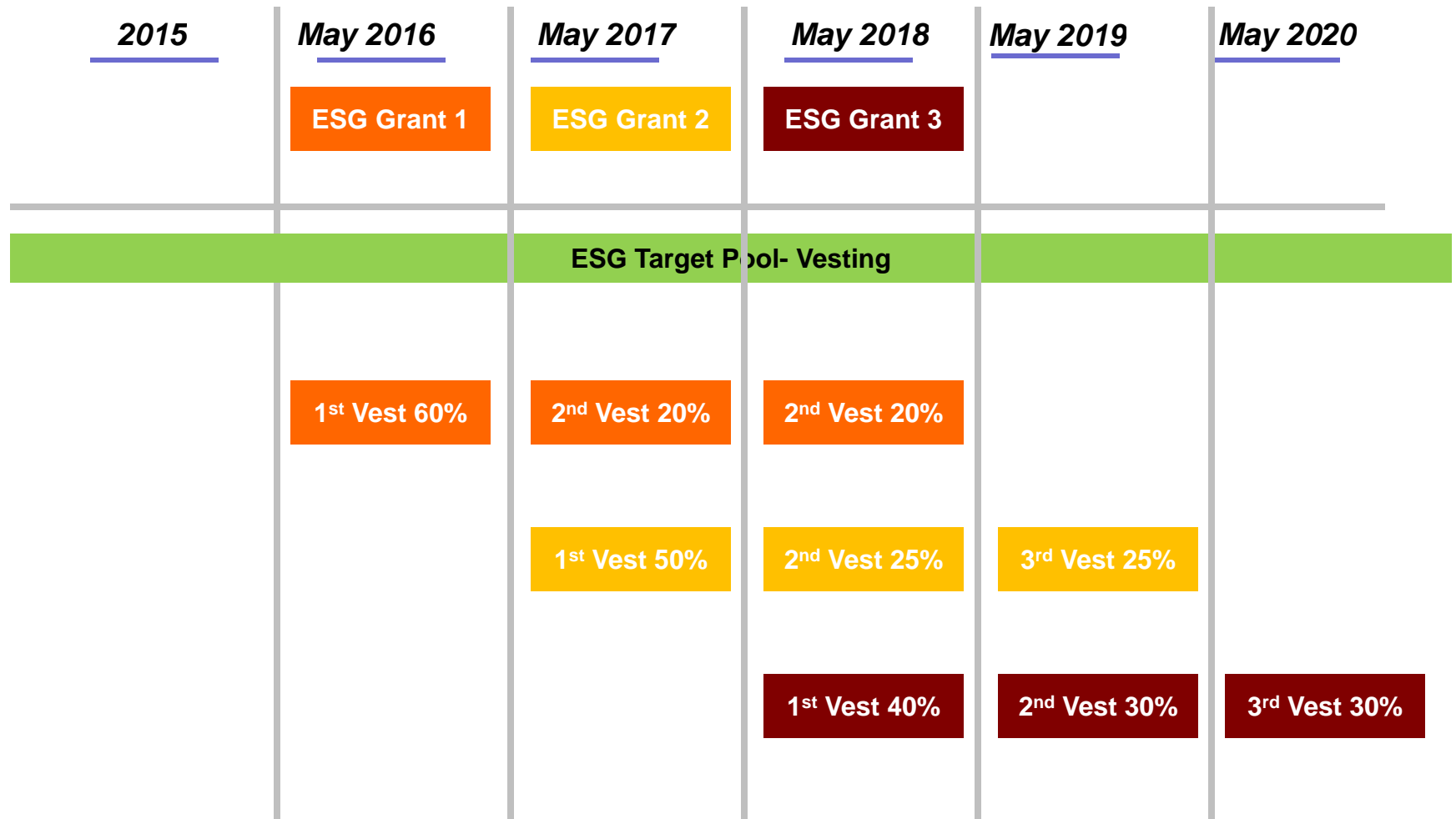


# Vesting

## Definition

**Vesting** means that there is a specific date (the “date”) on which the legal ownership for certain shares, as well as the rights associated with those shares (such as voting right and right to receive dividend), are officially transferred to the recipient. Shares may be granted but not yet vested, meaning that the recipient doesn’t yet own the shares, but he/she has a right to those shares at a specified date in the future, subject to the vesting criteria being met on the vested date.

# Vesting Schedule (\*)



(\*) The eligible executive member can only receive the vested shares from the Grant Date if his/her Year-PMDT Objectives in the ear-end Overall Rating (Part 1 – PMDT) for related vested years is not lower than 2.4.



# **INTRODUCTION OF BOD CANDIDATES**

# Non-Executive Director Candidate

## ■ Mr. Siew-Siong Ngian

- Mr. Ngian had intensive operation experience in property development through his 28 years working at various senior executive positions at the Malaysia-based Sunway Group until his retirement in 2012.
- Since 2012, he has mainly engaged in advisory roles, providing strategic advice on enhancing operational efficiency, and driving human talent development program with particular emphasis on the succession planning. He is currently Advisor to the Managing Director and CEO of Mah Sing Group Berhad.
- Subject to the approval of the BOD and the shareholders, Mr. Ngian is expected to join Nam Long as the Non-executive Independent Director and in addition will provide consulting services to NLG



# Non-Executive Director Candidate

## ■ Mr. Siew-Siong Ngian (continued)

- Mr. Ngian is expected to visit and work on specific advisory projects with Nam Long's senior management team 2 – 3 days every month.
- Subject to subsequent discussions and alignments with the BOM and the BOD, some consultancy projects which Mr. Ngian can lead are:
  - Establishment of Customer Centricity Culture
  - Strengthening of Knowledge Management
  - Establishing the In-house Training System
  - Implementing the effective ERP system
  - Building tools to facilitate greater teamwork
  - Enhancement of Nam Long's employee productivity and performance
  - Succession Planning for Key Roles in BOM
  - Strengthening internal processes, etc.



# Candidate for Board Director

## ■ Mr. Cao Tan Thach

- Mr. Thach joined Nam Long in July 2007, and was appointed Director of Project and Construction Management Department in January 2008.
- He took credit in ensuring the on-time hand-overs of EHome units to home-buyers.
- Before joining Nam Long, Mr. Thach worked for a number of companies in the US, including Linscott, Law & Greenspan Engineers, Urban Crossroads, etc.
- He is a member of Tau Beta Pi (Engineering Honor Society) and a member of ASCE (American Society of Civil Engineers), USA.
- Mr. Thach holds the bachelor of science from the University of California, Irvine, USA

