**HEP: Extraordinary General Mandate 2023**

On December 1, 2023, Hue Urban Environment and Public Works Joint Stock Company announced General Mandate No. 59/2023/NQ-HDQT as follows:

‎‎Article 1. Approve the Report on activities for the first 9 months of the year and directions and tasks for the last 3 months of 2023 with some main targets as follows:

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| --- | --- | --- | --- | --- | --- | --- |
| No. | Target | 2023 Plan | 9 months Results | 2023 Estimated Results | Rate (%) | |
| 9 months Results compared to 2023 Plan | 2023 Estimated Results compared to 2023 Plan |
| I | Total revenue from production and business activities | 275.180 | 225.614 | 281.197 | 81.99 | 102.19 |
| 1 | Activities of providing public products and services in the city | 167.000 | 127.762 | 167.000 | 76.50 | 100.00 |
| 2 | Service business | 63.180 | 48.062 | 64.407 | 76.07 | 101.94 |
| 3 | Construction business | 45.000 | 49.790 | 49.790 | 110.64 | 110.64 |
| II | Payable to State budget | 24.500 | 24.064 | 25.500 | 98.22 | 104.08 |
| III | Profit after tax | 11.536 | 11.504 | 12.206 | 99.72 | 105.80 |

‎‎Article 2. Approve the Report on results of the Board of Directors' activities with main contents as follows:

1. Implementation of tasks in 9 months of 2023:

* In the first 9 months of 2023, the Board of Directors organized 27 meetings, deciding on issues within the authority of the Board of Directors as stipulated in the Company's Charter of organization and operation.
* The Company organized the Annual General Meeting on May 5, 2023 to approve the General Mandate, at the same time, implement the handover of the positions: Chief Accountant from July 1, 2023 and Chair of the Board of Directors from September 30, 2023 (The handover minutes fully shows the responsibilities of the transferor and the transferee).
* To facilitate the management of production and business activities, ensure continuity before the Chair of the Board of Directors retires according to regulations, on July 4, 2023, the Chair of the Board of Directors of the Company authorizes Mr. Tran Quoc Khanh - Member of the Board of Directors-cum-General Manager of the Company to be the second legal representative managing 40%/51% of state capital in the Charter capital of Hue Urban Environment and Public Works Joint Stock Company. In which, from October 1, 2023, Mr. Tran Quoc Khanh has full authority to sign all related dossiers according to the provisions of section 11.2.1 on the representative scope of the Chair of the Board of Directors - Article 11 of the Company's Charter amended and supplemented for the second time via the Annual General Meeting on April 28, 2021.
* In the first 9 months of 2023, the Board of Directors implements the General Mandate for the term 2020-2025 and the Annual General Mandate 2023; promulgates Resolutions and Decisions related to the implementation of the Company's production and business tasks in 2023; implement business tasks under the Law on Enterprises and the Company's Charter; comply with the direction of the Provincial People's Committee and current state regulations; implement production and business activities with solutions in directing and saving production expenses such as the implementation of Internal Expenditure Regulations; continue to implement fixed expenses for using tools, instruments, telephone, stationery and other related expenses to ensure that the estimated profit after tax is higher than planned.
* With the set goals and tasks for 2023, the Board of Directors assigns specific and clear tasks to each member of the Board of Directors and the Board of Management of the Company to direct and operate in each field of work. Thus, in the first 9 months of 2023, realized revenue reaches 88% of the year plan, decreasing by 21.4% compared to the same period last year. This is due to a decrease in revenue from the construction and installation sector, reducing the rate corresponding to the expected 2023 plan approved by the Annual General Meeting 2023 (tasks beyond routine scope).
* In the first 9 months of the year, the Board of Directors promulgates Minutes and Resolutions on using depreciation capital to invest in purchasing equipment and renovating and repairing worker break rooms, garages... The total investment capital is: VND 1,758,258,805. At the same time, depreciate Japanese incinerators as fixed assets to fund urban solid waste treatment and landfill restoration. The amount of depreciation accounted for in business activities expenses from January 1, 2023 to September 30, 2023 is: VND 1,082,251,053. The Company has paid into the State budget according to regulations;
* Status of management, use and preservation of State capital contribution. The Company rotates capital sources to ensure compliance with regulations; in which, State capital accounts for 51% of Charter capital; Share capital accounts for 49%;
* The Company discloses information according to the regulations in Circular No. 96/2020/TT-BTC dated November 16, 2020 by the Ministry of Finance guiding the information disclosure on the securities market. All production and business activities of the Company are publicized on the website: http://hepco.com.vn at the Investor relations section, published on the information disclosure system (IDS), (CIMS) on Financial Statements, Governance Report, Annual Report, Annual General Mandate, plan on profit and dividend distribution, and extraordinary information disclosure according to regulations.
* At the time of recording the list of shareholders on November 24, 2023 to attend the Extraordinary General Meeting, the Company has 51% State capital; the corresponding total number of shares is 3,060,000 shares; 396 shareholders are retired employees of the Company, owning 2,166,300 shares (36.11% of Charter capital); 01 strategic shareholder is Thua Thien Hue Construction and Public Services Co.Ltd, owning: 705,700 shares (11.76% of Charter capital); 32 external shareholders, owning: 68,000 shares (1.13% of Charter capital).

1. Directions of the Board of Directors' activities in the remaining months of 2023 and plan for the Annual General Meeting 2024
2. Direct the implementation of production and business activities

* It is expected that in 2023, revenue, profit, payable to State budget, salary for employees, and dividend will be divided according to capital contribution. The rate will reach from 102% to 106% compared to the plan;
* In 2024, basic expenditures such as revenue, profit, payable to the State budget, salary for employees, and dividend are expected to be divided according to capital contribution and decrease by about 12% compared to the estimated results in 2023. The reason for the decrease is due to the handing over of management function of infrastructure works such as drainage, sidewalks, roadsides and Hue city's lighting system to Hue City Urban Infrastructure Management and Exploitation Center for management;
* Continue to implement the proposed policy of divesting 51% of State capital participating in the Company's Charter capital. Expand diversification of types of services throughout the province, participate in bidding for packages of garbage collection and transportation, management of drainage systems, sidewalks, and lighting systems and construction of capital construction projects;
* Improve the quality of all types of services, ensuring quality and aesthetics; strengthen cooperative relations with localities, project management boards, foreign partners, business units, in order to promote the Company's sustainable development and the improvement and improvement of employees' lives;
* Research and propose solutions to save production expenses and lower prices for services to implement competitive solutions in the fields the Company is operating. Mobilize legal capital sources to continue investing in purchasing equipment and facilities to ensure business activities, at the same time, continue to invest in purchasing equipment to serve management work, promptly responding to the management and operation of the Company's activities;
* Develop plans to concretize specific goals, targets and tasks to facilitate the direction and management of production and business activities. Acknowledging this, the Company offers a number of solutions to improve business activities, specifically as follows:
* Build solutions for production and business development, maintaining the stability of current customers; look for new customers in the waste collection and transportation service business; research and implement financial mechanisms to have funding sources to encourage customers, contributing to increasing revenue in all activities of the Company;
* Develop a business plan with policies, quality, and service expense reduction to attract customers and participate in bidding for a number of types of services that are implementing the bidding mechanism according to regulations. Strengthen communication, customer care; promote the image of the Company's activities; quickly and promptly resolve problems and some opinions of organizations and people related to the Company's activities;
* Continue to implement and maintain the use of Facebook to promote and propagate content to raise people's awareness about dumping trash on time and in the right place, at the same time, introduce and promote the types of services the Company is implementing;
* Research and propose solutions to effectively implement production and business tasks, ensuring the legal rights of the Company, shareholders and employees, fulfill obligations to the State, constantly improve the material and spiritual life of employees in the Company. Develop solutions to ensure effective production and business;
* Direct the continued implementation of the Grassroots Democracy Regulations at the Company, promoting the collective ownership of employees; implement transparent disclosure of production and business plan, financial status, and profit distribution; implement well the reporting work of the Capital Representative to the Owner; propose the plan on profit and dividend distribution; submit to the Owner for opinions before organizing the Annual General Meeting 2024
* Develop a plan to successfully complete a number of current projects that Hue City is currently assigning the Company to be the investor and appoint a contractor to carry out the construction. Complete the capital settlement work for the investor unit and submit it to the competent authority for approval and request to transfer the Decision approving investment capital settlement for completed projects to Hue City Urban Infrastructure Management and Exploitation Center for reception according to regulations.

1. Company governance work

Review and adjust the internal legal framework in accordance with the actual status of the Company: Decisions, regulations, processes, mechanisms, decentralization of authority to create initiative and responsibility. Strengthen inspection and supervision to ensure work efficiency.

Continue to improve the apparatus to ensure it is streamlined and consistent with the Company's production and business activities.

1. Identify the capital source and ability to balance investment capital for fixed asset purchases from 2024

The Company's Board of Directors identifies that the main source of investment capital is from depreciation capital of fixed assets. Based on inspection and evaluation of specialized departments and units directly using equipment in production and business activities; investment in new specialized vehicles and equipment to transport waste to Phu Son, major repairs to vehicles and equipment that are depreciated over the prescribed time to ensure the Company's production and business activities. The Company's Board of Directors will consider and come up with a unified plan before submitting it to the Provincial People's Committee for approval so that the State capital representative can vote at the Annual General Meeting 2024.

About management: Apply 4.0 technology in the management and operation of production and business activities. Implement solutions to strengthen strict production and business management, reasonably save expenses, and ensure business efficiency.

1. About human resources - labor:

Arrange organizational work and apparatus to ensure a streamlined, rational and efficient apparatus; gradually reduce labor at affiliated Enterprise units and the Company's office management block; maintain and stabilize employees' salaries; focus on human resource planning, promptly meeting the Company's human resource needs in 2024 and the following years.

‎‎Article 3. Approve the Report on activities of the Supervisory Board at the Extraordinary General Meeting 2023.

Article 4. Approve the Proposal on dismissal of the Chair of the Board of Directors and additional election of members of the Company's Board of Directors.

Article 5. Approve the Proposal on issues for collecting opinions at the Extraordinary General Meeting 2023.

‎‎Article 6. Elect Mr. Phan Le Hien as an additional member of the Board of Directors for the term 2020-2025.

‎‎Article 7. The Board of Directors elected Mr. Phan Le Hien as Chair of the Board of Directors for the term 2020-2025.

‎‎Article 8. Terms of enforcement

* The General Meeting of Hue Urban Environment and Public Works Joint Stock Company assigns the Board of Directors of the Company to organize and implement the General Mandate.
* This General Mandate is approved by the General Meeting on December 1, 2023