**HEM: Annual General Mandate 2024**

On March 15, 2024, Hanoi Electro-mechanical Manufacturing Joint Stock Company announced General Mandate No. 01/2024/NQ-DHDCD as follows:

‎‎Article 1. Approve the List of Vote Counting Committee, meeting agenda, Regulations on organizing the meeting, Regulations on election of additional members of the Board of Directors for the 2021 - 2026 term.

‎‎Article 2. Approve the full text of the following Reports:

1. Report on production and business results in 2023 and operating plan in 2024;
2. Report on activities in 2023 and operating plan in 2024 of the Board of Directors.
3. Report of the Supervisory Board

‎‎Article 3. Approve the Financial Statements 2023 (including the Separate Financial Statements and the Consolidated Financial Statements for the operating period from January 1, 2023 to December 31, 2023) audited by Deloitte Vietnam Company Limited.

‎‎Article 4. Approve the profit distribution in 2023 as follows:

|  |  |  |
| --- | --- | --- |
| No. | Targets | Amount (VND) |
| I | Distributable profit after tax | 83,178,243,591 |
| 1.1 | Remaining profit after tax from previous years | 36,523,388,504 |
| 1.2 | Profit after tax (Audited Separate Financial Statements 2023) | 46,654,855,087 |
| II | Profit distribution: | 58,056,975,000 |
| 2.1 | Payment of dividends in cash at 15%/charter capital (38,704,650 shares) | 58,056,975,000 |
| a) | Prepaid 10% dividends in cash in 2023 (\*) | 38,704,650,000 |
| b) | Payment of the remaining 5% dividends  | 19,352,325,000 |
| III | Undistributed remaining profit after tax in the Separate Financial Statements. | 25,121,268,591 |

(\*) The Company prepaid dividends in cash in 2023 in accordance with the approved plan according to Annual General Mandate 2023 No. 01/2023/NQ-DHDCD dated May 21, 2023 with a rate of 10% of par value/share (for every 01 share, shareholders receive VND 1,000) according to Board Resolution No. 14/2023/NQ-HDQT dated September 14, 2023.

‎‎Article 5. Approve the plan targets in 2024 as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Targets | Unit | 2024 Plan |
| 1 | Production and business |  |  |
| - | Total consolidated revenue | VND | 270,250,000,000 |
| - | Consolidated profit after tax | VND | 85,350,000,000 |
| - | Dividend payment (divided from profit after tax in 2024 and residual source)(\*) | %/year | 15% |
| - | Bonus fund for the Board of Directors and the Executive Board |  | Up to 20%/profit after tax exceeding the plan. |

(\*) The General Meeting authorizes the Board of Directors to decide on all contents/issues related to the dividend prepayment in 2024 in cash if it is deemed appropriate for the Company's operations. The prepayment can be made in one lump sum or multiple installments depending on the decision of the Board of Directors.

‎‎Article 6. Approve the results of payment of total income and remuneration in 2023 and the income and remuneration plan in 2024 of the Board of Directors and Supervisory Board

* Approve the results of payment of remuneration, salary and other income of the Board of Directors and the Supervisory Board of the Company and the detailed payment for each member of the Board of Directors and Supervisory Board in 2023 as shown in notes No. 31-Transactions and balances with related parties in the Company's Audited Separate Financial Statements 2023.
* Approve the planned income and remuneration in 2024 of the Board of Directors and the Supervisory Board of the Company as follows:
* Total remuneration, salary and other income of the Board of Directors: VND 585,000,000
* Total remuneration and other income of the Supervisory Board: VND 156,000,000

‎‎Article 7. Approve the audit company for the fiscal year 2024:

The General Meeting approves the following list of audit companies and authorizes the Board of Directors to select one of these audit companies to audit the Financial Statements 2024:

1. Company name: Ernst & Young Vietnam Limited

Address: No. 2, Hai Trieu Road, Ben Nghe Ward, District 1, Ho Chi Minh City.

1. Company name: Deloitte Vietnam Company Limited

Address: No. 34, Lang Ha Street, Dong Da District, Hanoi City.

1. Company name: KPMG Limited

Address: Floor 46, Keangnam Tower, Hanoi Landmark Tower, Building 72 - Me Tri Ward, Nam Tu Liem District, Hanoi City.

‎‎Article 8. Approve transactions and contracts between the Company and related persons.

Approve signing and implementing contracts and transactions between the Company and related persons according to the provisions of the Company's Charter and Article 167 of the Law on Enterprises 2020 (except for contracts prohibited from being implemented according to the provisions of Article 293 of Decree 155/2020/ND-CP on guiding the Law on Securities 2019 and other legal regulations, if any). Specifically, the main contents of contracts and transactions are as follows:

1. Related persons signing contracts and transactions with the Company
2. Subjects of contracts and transactions: purchase and sale of supplies, raw materials, goods, services and finished products; loan/lending/financial support transactions; secured transactions;...
3. Value and limit of contracts and transactions:
	1. Contracts, loan and lending transactions of the Company with each related person: has a value greater than 10% of the total value of assets of the Company recorded in the most recent Financial Statements of the Company, but the total value of contracts and transactions with related persons cumulatively arising from the date of approval of the Annual General Meeting 2024 until before the date of the Annual General Meeting 2025 must not exceed the following limits:
* 30% of the total value of assets of the Company recorded in the latest Financial Statements for borrowing capital contracts and transactions.
* 30% of the total value of assets of the Company recorded in the latest Financial Statements for lending contracts and transactions.
	1. Contracts and transactions for purchasing supplies, raw materials, goods and finished products of the Company from each related person: has a value equal to or greater than 35% or the transaction value resulting in the total transaction value arising within 12 months from the date of the first transaction is equal to or greater than 35% of the total value of the Company's assets recorded in the most recent Financial Statements of the Company, but the total value of contracts and transactions cumulatively arising from the date of approval of the Annual General Meeting 2024 until before the date of the Annual General Meeting 2025 must not exceed the following limits:
* 50% of the total value of assets of the Company recorded in the latest Financial Statements for contracts and transactions of purchasing supplies and raw materials.
* 50% of the total value of assets of the Company recorded in the latest Financial Statements for contracts and contracts of purchasing goods and finished products.
	1. Contracts, secured transactions, mortgages, and pledges with transaction value under the approval authority of the General Meeting with each related person:
* Related persons guarantee the Company or use assets to mortgage or pledge to the related guarantee party to ensure the full and timely payment of the Company's financial obligations in respect of the Company's financial obligations to the funder arising from the Company's capital mobilization transactions.
* The Company guarantees or uses its assets to mortgage or pledge the related guarantee party to ensure the full and timely payment of each related person's financial obligations to the funder arising from the related person's capital mobilization transactions.
1. Applicable effect: Apply to contracts and transactions arising in the period from the date of the Annual General Meeting 2024 to before the date of the Annual General Meeting 2025.
2. The General Meeting assigns the Board of Directors and the Managing Director to direct the signing and implementation of the above specific contracts and transactions under applicable laws, the Charter and internal regulations of the Company.

‎‎Article 9. Approve changing the number of members of the Board of Directors and amending the Charter and related regulations of the Company to adjust the number of members of the Board of Directors.

* Approve changing the number of members of the Board of Directors of the Company from 05 members to 03 members.
* Approve the amendments to the terms and contents related to the number of members of the Board of Directors in the Company's Charter on Organization and Operations, Operational Regulations of the Company's Board of Directors and Internal Regulations on Corporate Governance to adjust the number of the Board of Directors’ members mentioned above as detailed in Appendix 02A; 02B; 02C and the draft full text of the Charter, Internal Regulations on Corporate Governance, and Operational Regulations of the Board of Directors amended and attached to this General Mandate. The amended Charter and the aforementioned regulations are amended to take effect from the date of approval of the Annual General Meeting 2024.

‎‎Article 10. Approving canceling the Company's public company status

Approve canceling the Company's public company status, canceling the Company's share trading registration at UPCOM, and canceling the Company's securities registration at the Vietnam Securities Depository and Clearing Corporation as follows:

1. Approve canceling the Company's public company status, canceling the Company's share trading registration at UPCOM, canceling the Company's securities registration at the Vietnam Securities Depository and Clearing Corporation (“VSDC”) due to not meeting the company's conditions of a public company as prescribed in Point a Section 1 Article 32 of the Law on Securities 2019, details are as follows:

|  |  |
| --- | --- |
| Issuer’s name: | Hanoi Electro-mechanical Manufacturing Joint Stock Company  |
| Head office address: | Km 12, Cau Dien Street, Phuc Dien Ward, Bac Tu Liem District, Hanoi City, Vietnam |
| Charter capital: | VND 387,046,500,000 |
| Number of issued shares: | 38,704,650 shares |
| Number of voting shares: | 38,704,650 shares |
| Share type: | Common share |
| Par value: | VND 10,000/share |
| Trading registration at: | UPCOM |

* Implementation method:
* Cancellation of public company status and cancellation of registration to trade all shares at UPCOM: Implement under the Law on Securities 2019 and related regulatory documents;
* Cancellation of the Company's securities registration at VSDC: After completing the cancellation of public company status and cancellation of trading registration of all shares at UPCOM, HEM carries out procedures to cancel the Company's securities registration at VSDC in accordance with current regulations.
* Implementation time: From the date of approval of the General Mandate of Hanoi Electro-mechanical Manufacturing Joint Stock Company, in accordance with the provisions of Clause 5, Article 310 of Decree 155/2020/ND-CP.
* In addition, to ensure the rights of shareholders, after completing the procedures to cancel the Company's public company status, cancel the Company's share trading registration at UPCOM, and cancel the Company's securities registration, if any shareholder wishes to sell shares back to the Company, the shareholder must send a proposal to the Company. The Company will consider and repurchase shares from shareholders at the price agreed upon by the parties and ensure compliance with the process of repurchasing shares under the Law on Enterprises and the Company's Charter.
1. Authorization for the Board of Directors

The General Meeting authorizes the Board of Directors to decide on all details and carry out the necessary work to complete the cancellation of the Company's public company status, cancellation of the Company's HEM share trading registration on UPCOM, cancellation of the Company's securities registration at VSDC according to current law provisions including but not limited to: Amend, supplement and complete contents related to dossiers at the request of state management agencies; organize and implement relevant procedures according to regulations and have full authority to decide on other remaining issues. The Board of Directors has the right to authorize/assign part of its powers stated in this section to the Managing Director of the Company.

‎‎Article 11. Approve dismissing Mr. Nguyen Trong Trung, Mr. Dang Xuan Tan, Mr. Pham Tuan Tu and Mr. Mai Xuan Duc as members of the Board of Directors due to resignation and effective dismissal from the date of approval of the Annual General Meeting 2024.

‎‎Article 12. Approve electing 02 additional members of the Board of Directors for the 2021 - 2026 term on the basis of the list of validly nominated candidates, and the results of the election of 02 additional members of the Board of Directors for the 2021 - 2026 term including:

1. Mr. Pham Tuan Anh
2. Mr. Bui Dang Khoa

‎‎Article 13. This General Mandate takes effect from the date of its signing.

The Board of Directors, Executive Board and related departments/individuals are responsible for implementing this General Mandate.