**HDW: Annual General Mandate 2024**

On June 28, 2024, Hai Duong Water Joint Stock Company announced General Mandate No. 1956 /NQ/DHDCD as follows:

‎‎Article 1. Approve the Regulations for organizing the Annual General Meeting 2024 of Hai Duong Water Joint Stock Company.

‎‎Article 2. Approve the dismissal of the position of Member of the Board of Directors of Hai Duong Water Joint Stock Company for Mr. Pham Minh Cuong from June 28, 2024.

‎‎Article 3. Approve the proposal to elect additional members of the Board of Directors for the 2022-2027 term. Specific results:

* Mr. Nguyen Thai Dung currently holds the position of Deputy Managing Director of the company and was elected as a member of the Board of Directors for the remainder of the 2022-2027 term from June 28, 2024.
* Mr. Vu Chi Phuong currently holds the position of Head of the Administrative Organization Department and was elected as a member of the Board of Directors for the remainder of the 2022-2027 term from June 28, 2024. ‘

‎‎Article 4. Approve the Proposal of the Board of Directors on Production and Business Results, Financial Statements and Profit Distribution for the accounting period from January 1, 2023 to December 31, 2023.

1. Results of production and business activities in 2023:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Main Targets | Unit | Plan | Results |
| I | Main products of production  |  |  |  |
| 1 | - Producing clean water upstream | Million m3 | 69.395 | 70.876 |
| 2 | - Clean water revenue output | Million m3 | 58.850 | 60.745 |
| 3 | - Rate of loss and loss of revenue | % | 11 | 11 |
| 4 | Customer development | Household | 6,000 | 5,208 |
| II | Financial targets |  |  |  |
| 1 | Owner's equity (charter capital) | Million VND | 318,824.7 | 318,824.7 |
| 2 | Total revenue | Million VND | 526,000 | 543,303 |
|  | - Clean water revenue | Million VND | 508,700 | 523,644 |
|  | - Construction and installation | Million VND | 9,600 | 9,693 |
|  | - Purified water and other activities | Million VND | 7,700 | 9,966 |
| 3 | Total expenses | Million VND | 459,000 | 486,143 |
| 4 | Profit before tax | Million VND | 67,000 | 57,160 |
| 5 | Profit after tax | Million VND | 53,300 | 44,569 |
| III | Other Targets |  |  |  |
| 1 | Payables to the State budget | Million VND | 69,900 | 84,366 |
|  | - Taxes and fees | Million VND | 53,736 | 68,202 |
|  | - Dividends paid to the state | Million VND | 16,164 | 16,164 |
| 2 | Profit before tax/Revenue | % | 12.8 | 10.5 |
| 3 | Profit before tax/Owners' equity | % | 21 | 17.9 |
| 4 | Total employee salary fund | Million VND | 98,732 | 97,891 |
| 5 | Total number of workers | Person | 943 | 926 |
| 6 | Average salary per person/month | Million VND | 8.725 | 8.809 |

1. Financial Statements for the accounting period from January 1, 2023 to December 31, 2023. Main indicators are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | TARGET | Unit | Results |
| I | Total assets | VND | 953,190,668,699 |
| 1 | Short-term assets | VND | 70,209,983,614 |
| 2 | Long-term assets | VND | 882,980,685,085 |
| II | Total source of capital | VND | 953,190,668,699 |
| 1 | Payables | VND | 513,316,644,338 |
| 2 | Owners’ equity | VND | 439,874,024,361 |

1. Distribution of profits for the accounting period:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | TARGET | UNIT | Plan | Results |
| 1 | Profit after tax in 2023 | VND | 53,300,000,000 | 44,569,312,712 |
| 2 | Profits paid to the state budget (according to Decision No. 3184/QD dated December 28, 2023 of the Provincial People's Committee) | VND |  | 13,716,054,871 |
| 3 | Profit for dividend payment | VND | 25,187,000,000 | 25,248,931,882 |
| 4 | Appropriation for investment and development fund: | VND | 15,990,000,000 | 3,119,851,889 |
| 5 | Appropriation for bonus and welfare fund | VND | 12,123,000,000 | 2,484,474,070 |
| 5.7 | Bonus and welfare fund of the Executive Board | VND | 329,000,000 | 0 |
| 5.2 | Bonus and welfare fund for employees | VND | 11,794,000,000 | 2,484,474,070 |

1. Authorize the Board of Directors to consider and decide:

Time to pay dividends and carry out procedures related to distributing dividends to shareholders in accordance with the provisions of law and the Company's Charter.

‎‎Article 5. Approve of the Board of Directors' Proposal on Production and Business Plan and Profit Distribution Plan for 2024:

1. Production and Business Plan for 2024

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Main Targets | Unit | Plan |
| I | Main products of production  |  |  |
| 1 | - Producing clean water upstream | Million m3 | 72.376 |
| 2 | - Clean water revenue output | Million m3 | 61.700 |
| 3 | - Rate of loss and loss of revenue (striving to maintain) | % | 11 |
| 4 | Customer development | Household | 5,000 |
| II | Financial targets |  |  |
| 1 | Owner's equity (charter capital) | Million VND | 318,824.7 |
| 2 | Total revenue | Million VND | 546,100 |
|  | - Clean water | Million VND | 529,300 |
|  | - Construction and installation | Million VND | 7,500 |
|  | - Purified water and other activities | Million VND | 9,300 |
| 3 | Total expenses | Million VND | 488,900 |
| 4 | Profit before tax | Million VND | 57,200 |
| 5 | Profit after tax | Million VND | 45,000 |
| III | Other Targets |  |  |
| 1 | Payables to the State budget | Million VND | 77,068 |
|  | - Taxes and fees | Million VND | 60,657 |
|  | - Dividends paid to the state (expected) | Million VND | 16,411 |
| 2 | Profit before tax/Revenue | % | 10.47 |
| 3 | Profit before tax/Owners' equity | % | 17.94 |
| 4 | Total employee salary fund | Million VND | 99,377 |
| 5 | Total number of workers | Person | 940 |
| 6 | Average salary per person/month | Million VND | 8.81 |

1. Plan on profit distribution in 2024:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Main Targets | Unit | Plan |
|  | Profit after tax in 2024 | Million VND | 45,000 |
| 1 | Expected cash dividend payment of 7.9% | % | 25,187 |
| 2 | Appropriation for investment and development fund | Million VND | 13,500 |
| 3 | Appropriation for bonus and welfare fund: In which:* Bonus and welfare fund for employees
* Bonus fund of the Executive Board
 | Million VND | 6,3135,974339 |

1. Authorize the Board of Directors to consider and decide:

Based on the results of production and business activities, profit after tax achieved in 2024, regulations according to Circular No. 28/2016/TT-BLDTBXH dated January 1, 2016 by the Ministry of Labor, War Invalids and Social Affairs regulating labor, wages and bonuses for companies with controlling capital shares of the state:

* Decide on the employee's actual salary fund;
* Decide on appropriation of funds: Development and investment fund; Bonus and welfare fund and other funds according to regulations.

‎‎Article 6. Approve of the Report on the activities of the Board of Directors and membership of the Board of Directors in 2023 and the orientation and operational plan of the Board of Directors in 2024

‎‎Article 7. Approve the Report of the Supervisory Board on the activities of the Board of Directors and Managing Director, Report on self-assessment of the activities of the Supervisory Board and members of the Supervisory Board.

‎‎Article 8. Approve the Board of Directors' Proposal on the criteria and list of audit companies selected for the Financial Statements 2024.

1. Criteria for selecting an audit company:
* Is an independent audit company on the list of auditing enterprises for public interest units in 2024 according to Decision No. 2559/QD-BTC dated November 20, 2023 of the Ministry of Finance and approved by the State Securities Commission;
* Having a team of highly qualified and experienced auditors, honest, objective, reputable, and upholding professional ethics;
* Do not have a relationship to buy and sell stocks, assets or contribute capital to joint ventures with Hai Duong Water Joint Stock Company;
* Meet the Company's requirements on audit scope, progress and quality;
* Audit costs are reasonable, consistent with the content, scope and progress of the audit requested by the Company.
1. Recommended list of auditing units:
* Vietnam Auditing and Evaluation Co., Ltd. (VAE)
* Anviet Auditing Company Limited
* UHY Auditing & Consulting Company Limited
1. Authorize the Board of Directors to select and sign contracts to ensure compliance with the provisions of law.

‎‎Article 9. Approve the Proposal of the Board of Directors on Settlement of salaries and remunerations of the Board of Directors and the Supervisory Board in 2023 and Plan for salary and remuneration funds of the Board of Directors and the Supervisory Board in 2024.

1. Planned salary, remuneration and total salary and remuneration funds of the Board of Directors and the Supervisory Board was approved by the General Meeting on April 28, 2023:

|  |  |
| --- | --- |
| Salary of executive Chair of the Board of Directors | VND32,000,000/month |
| Salary of executive Vice Chair of the Board of Directors | VND28,500,000/month |
| Salary of executive Member of the Board of Directors | VND26,000,000/month  |
| Remuneration for non-executive Member of the Board of Directors | VND6,000,000/month |
| Salary of the Chief of the Supervisory Board | VND24,500,000/month |
| Salary of executive supervisor | VND16,000,000/month  |
| Remuneration of non-executive supervisor | VND3,200,000/month |

1. Salary payment principles:
* Chair of the Board of Directors, Vice Chair of the Board of Directors, Chief of the Supervisory Board, supervisors working full-time at the Company are paid full-time salaries, without remuneration.
* Members of the Board of Directors concurrently hold leadership and executive management positions of the Company (Managing Director, Deputy Managing Director, Chief Accountant) receive full-time salaries for those management and leadership positions and do not receive additional remuneration for members of the Board of Directors.
* Members of the Board of Directors and Supervisory Board who are part-time and do not hold leadership or management positions are entitled to remunerations for members of the Board of Directors and Supervisory Board.

The Board of Directors receives a full-time salary consisting of 02 people: Chair of the Board of Directors and Vice Chair of the Board of Directors.

The Board of Directors receives remuneration consisting of: 01 member

The Supervisory Board receives a full-time salary consisting of: 03 people, Chief of the Supervisory Board, 02 Members.

The total planned salary and remuneration fund according to the salary and remuneration approved by the General Meeting is: VND1,514,400,000;

1. Results of production and business activities in 2023

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Targets | UNIT | Plan | Result | % completed |
| 1 | Clean water output and revenue | Cubic meters | 58,850 | 60,745 | 103.2% |
| 2 | Total revenue | Million VND | 526,000 | 543,303 | 103.3% |
| 3 | Average employee (excluding executive managers) | Person | 943 | 926 | 98.19% |
| 4 | Labor productivity | m3/person/year | 62,407 | 65,600 | 105.11% |
| 5 | Payables to the State budget | Million VND | 69,900 | 84,366 | 120.7% |
| 6 | Profit after tax | Million VND | 53,300 | 44,569 | 83.6% |
| 7 | Preserving and developing capital | Million VND | 433,900 | 439,874 | 101.4% |

Pursuant to Circular No. 28/2016/TT-BLDTBXH dated September 1, 2016 guiding the implementation of regulations on remuneration, salaries, and bonuses for state-controlled joint stock companies. Salaries and remunerations of the Board of Directors and Supervisory Board decreased by 16.4%, equivalent to a decrease in profits.

The total salary and remuneration fund implemented in 2023 of the Board of Directors and the Supervisory Board is: VND1,191,132,800;

Specifically:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Management position | Salary (VND/month) | remuneration (VND/month) | Number of months | Total salary implemented (VND) |
| 1 | Chair of the Board of Directors | 26,752,000 |  | 12 | 321,024,000 |
| 2 | Vice Chair of the Board of Directors | 23,826,000 |  | 12 | 285,912,000 |
| 3 | Member of the Board of Directors (No CTr) |  | 5,016,000 | 12 | 60,192,000 |
| 4 | Chief of the Supervisory Board (CTr) | 20,482,000 |  | 12 | 245,784,000 |
| 5 | Member of the Supervisory Board (CTr) | 13,376,000 |  | 12 | 160,512,000 |
| 6 | Member of the Supervisory Board (CTr) | 13,376,000 |  | 8 | 107,008,000 |
| 7 | Member of the Supervisory Board (No CTr) |  | 2,675,200 | 4 | 10,700,800 |
|  | Total: |  |  |  | 1,191,132,800 |

II. Salary, remuneration and planned salary and remuneration fund of the Board of Directors and Supervisory Board in 2024.

1. Plan targets 2024:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Targets | UNIT | Plan |
| 1 | Clean water output | Cubic meters | 61,700,000 |
| 2 | Total revenue | Million VND | 546,100 |
| 3 | Average labor | Person | 940 |
| 4 | Average income/person/month | Million VND | 8.81 |
| 5 | Labor productivity | m3/person/year | 65,638 |
| 6 | Payables to the State budget | Million VND | 77,068 |
| 7 | Profit after tax | Million VND | 45,000 |
| 8 | Preserving and developing capital | Million VND | 439,874 |

1. Planned Salary and remuneration fund for 2024 of the Board of Directors and Supervisory Board.

Pursuant to the provisions of Circular No. 28/2016/TT-BLDTBXH dated September 1, 2016 and the actual production and business situation, based on the proposal of the Supervisory Board, the Board of Directors proposes to establish a planned salary and remuneration level of the Board of Directors and Supervisory Board in 2024 is specifically as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Management position | Wage (VND/month) | Remuneration (VND/month) | Number of months | Total planned salary and remuneration (VND) |
| 1 | Chair of the Board of Directors | 32,000,000 |  | 12 | 384,000,000 |
| 2 | Vice Chair of the Board of Directors | 28,500,000 |  | 12 | 342,000,000 |
| 3 | Member of the Board of Directors (No CTr) |  | 6,000,000 | 12 | 72,000,000 |
| 4 | Chief of the Supervisory Board (CTr) | 24,500,000 |  | 12 | 294,000,000 |
| 5 | Member of the Supervisory Board (CTr) | 16,000,000 |  | 12 | 192,000,000 |
| 6 | Member of the Supervisory Board (CTr) | 16,000,000 |  | 12 | 192,000,000 |
|  | Total |  |  |  | 1,476,000,000 |

The total salary and remuneration fund planned for 2024 of the Board of Directors and Supervisory Board is: VND1,476,000,000;

1. Settlement of salaries, remunerations and salary and remuneration funds for implementation.

At the end of the year, based on salary, remuneration and salary fund, remuneration planned in Clause 2, Section II; Results of implementing targets for production and business activities in 2023 in Clause 1, Section II of this Proposal and regulations in Circular No. 28/2016/TT-BLDTBXH dated September 1, 2016 of the Ministry of Labor, War Invalids and Social regulations on labor, wages, and bonuses for companies with controlling capital shares of the state. The General Meeting authorizes the Board of Directors to consider and decide on the final settlement of salaries and remunerations of the Board of Directors and the Supervisory Board in 2024 and report to the Annual General Meeting 2025.

‎‎Article 10. The General Meeting approved the proposal at the meeting of the Presiding Committee not to ask for additional opinions on business lines and to establish a branch of the Watch Testing Center at the Annual General Meeting 2024.

‎‎Article 11. Approve the Report to publicly disclose the relevant interests of insiders.

Article 12: Terms of enforcement.

This General Mandate is published on the Website: hdwaco.com.vn.

The Board of Directors, Supervisory Board, Managing Director and shareholders are responsible for leading, directing, supervising and organizing the implementation of the contents of this General Mandate.

This General Mandate has been approved in full by the Annual General Meeting 2024 of Hai Duong Water Joint Stock Company and takes effect from June 28, 2024.