**DVM: Annual Corporate Governance Report 2023**

On January 29, 2024, Vietnam Medicinal Materials Joint Stock Company announced Report No. 01-2024/BC/HDQT-DLVN on the corporate governance in 2023 as follows:

* Name of company: Vietnam Medicinal Materials Joint Stock Company
* Head office address: Lot 8, Phu Ninh Commune, Phu Ninh District, Phu Tho Province
* Tel: 024 39841255 Email: infomation@vietmec.vn
* Charter capital: VND 356,650,000,000
* Securities code: DVM
* Corporate Governance Model: The General Meeting of Shareholders, the Board of Directors, the Supervisory Board, and the General Manager
* Internal audit execution: Not executed
1. Activities of the General Meeting of Shareholders

Information about meetings and General Mandates/Decisions of the General Meeting of Shareholders (including General Mandates approved by collecting opinions via a ballot)

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| No. | General Mandate/Decision of the General Meeting of Shareholders No. | Date | Content |
| 1 | 01/2023/NQ-DHDCD/DLVN | May 27, 2023 | * Approve the promulgation of Regulation on holding the Annual General Meeting of Shareholders in 2023, Regulation on nomination, candidacy, and election of members of the Board of Directors, members of the Supervisory Board at the Annual General Meeting of Shareholders in 2023
* Approve the Report of activities of the Board of Directors and the Supervisory Board on in 2022 and plan for 2023;
* Approve the Financial Statements 2022, the Report on the use of the owners’ contributed capital as of December 31, 2022 for the increased contributed capital from the issuance of 8,650,000 shares according to the Audited Financial Statements and Audited Capital Statements.
* Approve the new organizational and management structure
* Approve the Company's charter on organization and operation according to the new organizational and management structure
* Approve the production and business plan in three years, 2023-2025
* Approve the selection of an audit company to audit and review the Financial Statements (semi-annual, annual,etc.) of the Company in 2023
* Approve the investment in the project "Investment in standard warehouse and complete production line of infusion solutions”
* Approve the plan of profit distribution, dividend payment in 2022 and the dividend payment plan for 2023
* Approving the plan on share issuance to increase the charter capital in 2023:
* Approve the dismissal and appointment of members of the Board of Directors and the Supervisory Board.

Approve remuneration payment for the Board of Directors and the Supervisory Board in 2022 and remuneration settlement plan for the Board of Directors and the Supervisory Board in 2023; |

1. The Board of Directors
2. Information about members of the Board of Directors:

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| No. | Member of the Board of Directors | Position | Date of appointment/dismissal as member/independent member of the Board of Directors |
|  |  |  | Appointment date | Dismissal date |
| 1 | Mr. Tran Binh Duyen | Chair of Board of Directors | July 19, 2021 |  |
| 2 | Mr. Vu Thanh Trung | Member of the Board of Directors | July 19, 2021 |  |
| 3 | Mr. Le Cao Hoang | Member of the Board of Directors |  | May 27, 2023 |
| 4 | Mr. Nguyen Van Cai | Member of the Board of Directors | July 19, 2021 |  |
| 5 | Mr. Pham Hoang Linh | Independent member of the Board of Directors | July 19, 2021 |  |
| 6 | Ms. Doan Thi Thu Hoai | Member of the Board of Directors | May 27, 2023 |  |

1. Board Resolutions/Board Decisions:

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| --- | --- | --- | --- |
| No. | Board Resolution/Board Decision No. | Date | Content |
| 1 | 01/2023/NQ-HDQT/DLVN | February 15, 2023 | Resolution on approving the promulgation of the business plan for the term of 2023-2025. |
| 2 | 02A/2023/NQ-HDQT/DLVN | March 10, 2023 | Approve the detailed plan on the implementation of investing in the machines and equipment for the testing and researching laboratory |
| 3 | 03/2023/NQ-HDQT/DLVN | March 16, 2023 | Resolution on approving the the extension of time to hold the Annual General Meeting of Shareholders 2023 |
| 4 | 04-2023/NQ-HDQT/DLVN | March 31, 2023 | Resolution on approving the capital borrowing plan at Woori Bank Vietnam Limited - Hoan Kiem Branch |
| 5 | 05-2023/NQ-HDQT/DLVN | April 10, 2023 | Board Resolution on approving the list of convening shareholders and other expected contents for the General Meeting of Shareholders |
| 6 | 06/2023/NQ-HDQT/DLVN | May 5, 2023 | Board Resolution on approving the credit extension at Hong Leong Bank Vietnam Limited |
| 7 | 07/2023/NQ-HDQT/DLVN | May 23, 2023 | Board Resolution on purchasing cars  |
| 8 | 08/2023/NQ-HDQT/DLVN | May 24, 2023 | Board Resolution on the amendment and supplement of a number of documents submit to the Annual General Meeting of Shareholders 2023 |
| 9 | 09/2023/NQ-HDQT/DLVN | May 29, 2023 | Resolution on dismissing the Chief Accountant |
| 10 | 10-2023/NQ-HDQT/DLVN | May 29, 2023 | Board Resolution on dismissing the Secretariat of the Company. |
| 11 | 11/2023/NQ-HDQT/DLVN | May 29, 2023 | Board Resolution on appointing Deputy General Manager in Finance and Operation |
| 12 | 12/2023/NQ-HDQT/DLVN | May 29, 2023 | Board Resolution on appointing Chief Accountant |
| 13 | 12A/2023/NQ-HDQT/DLVN | June 19, 2023 | Board Resolution on approving the short-term re-extension of line of credit at Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) - Ha Noi Branch |
| 14 | 12B/2023/NQ-HDQT/DLVN | July 3, 2023 | Board Resolution on receiving credit extension and issues related to receiving credit extension from Vietnam Prosperity Joint Stock Commercial Bank (VPBank) |
| 15 | 13/2023/NQ-HDQT/DLVN | July 6, 2023 | Board Resolution on approving the Auditors’ Report on the project |
| 16 | 14/2023/NQ-HDQT/DLVN | July 7, 2023 | Board Resolution on approving the implementation of plan on share issuance to increase charter capital from owners' equity |
| 17 | 15/2023/NQ-HDQT/DLVN | July 7, 2023 | Board Resolution on approving the dossier on share issuance to increase share capital from owner’s equity. |
| 18 | 16/2023/NQ-HDQT/DLVN | July 8, 2023 | Board Resolution on approving the plan to offer additional shares to the public in 2023 |
| 19 | 17/2023/NQ-HDQT/DLVN | July 8, 2023 | Board Resolution on approving the registration dossier for public offering of additional shares |
| 20 | 18/2023/NQ-HDQT/DLVN | August 7, 2023 | Board Resolution on approving the plan on business, capital borrowing, and the use of collateral at Joint stock Commercial Bank for Investment and Development of Viet Nam - Ha Noi branch  |
| 21 | 19/2023/NQ-HDQT/DLVN | August 7, 2023 | Board Resolution on re-extension of line of credits from Vietnam Prosperity Joint Stock Commercial Bank VP Bank |
| 22 | 20/2023/NQ-HDQT/DLVN | October 9, 2023 | Board Resolution on approving the transactions at Vietnam Technological and Commercial Joint Stock Bank |
| 23 | 21/2023/NQ-HDQT/DLVN | October 11, 2023 | Board Resolution on approving the cancel of the dossier on share capital from owners’ equity |
| 24 | 22/2023/NQ-HDQT/DLVN | October 11, 2023 | Board Resolution on approving the cancel of the dossier on public share capital |
| 25 | 23/2023/NQ-HDQT/DLVN | October 11, 2023 | Board Resolution on approving the capital borrowing at Hua Nan Commercial Bank  |
| 26 | 24/2023/NQ-HDQT/DLVN | October 18, 2023 | Board Resolution on approving the investment cooperation in project “Investment in supporting the development of valuable medicinal herb growing area in Na hang District, Tuyen Quang Province” |
| 27 | 25/2023/NQ-HDQT/DLVN | October 26, 2023 | Board Resolution on approving the loan at Bank Sinopac |
| 28 | 26/2023/NQ-HDQT/DLVN | October 30, 2023 | Board Resolution on establishing the Central Region Branch |
| 29 | 27/2023/NQ-HDQT/DLVN | November 14, 2023 | Board Resolution on approving the investment cooperation in project “Investment in supporting the development of valuable medicinal herb growing area in Sapa Town, Lao Cai Province” |
| 30 | 28/2023/NQ-HDQT/DLVN | November 15, 2023 | Board Resolution on approving the credit at VP Bank |
| 31 | 29/2023/NQ-HDQT/DLVN | December 1, 2023 | Board Resolution on approving to purchase cars |
| 32 | 30/2023/NQ-HDQT/DLVN | December 6, 2023 | Board Resolution on approving the change of collateral at BIDV (of Ms. Doan Thi Thu Hoai) |
| 33 | 31/2023/NQ-HDQT/DLVN | December 7, 2023 | Board Resolution on approving the change in collateral at BIDV (of Mr. Bui Minh Duc) |
| 34 | 32/2023/NQ-HDQT/DLVN | December 11, 2023 | Board Resolution on approving the liquidation and selection of an audit company |
| 35 | 33/2023/NQ-HDQT/DLVN | December 14, 2023 | Board Resolution on approving the selection of kiểm toán IVA (tentatively translated as IVA Audit Company) |
| 36 | 34/2023/NQ-HDQT/DLVN | December 14, 2023 | Board Resolution on buying assets of PDMR (in Hai Phong) |
| 37 | 35/2023/NQ-HDQT/DLVN | December 14, 2023 | Board Resolution on buying assets of PDMR (in Danang) |
| 38 | 36/2023/NQ-HDQT/DLVN | December 19, 2023 | Board Resolution on approving the established capital at Vibfa Joint Stock Company |

1. The Supervisory Board
2. Information about members of the Supervisory Board

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| --- | --- | --- | --- | --- |
| No. | Member of the Supervisory Board | Position | Date of appointment/dismissal as member of the Supervisory Board | Qualification |
| 1 | Nhu Thi Thu Trang | Chief of the Supervisory Board | Dismissed on May 27, 2023 | Master of Business Administration  |
| 2 | Duong Thi Ngoc | Member of the Supervisory Board |  | Bachelor of Pharmacy |
|  | Tran Thi Thanh Tam | Member of the Supervisory Board |  | Bachelor of Pharmacy |
| 4 | Nguyen Thi Tuyet Mai | Chief of the Supervisory Board | Appointed on May 29, 2023 | Bachelor of Accounting |

1. The Executive Board:

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| --- | --- | --- | --- | --- |
| No. | Member of the Executive Board | Date of birth | Qualification | Date of appointment/dismissal as member of the Executive Board |
| 1 | Mr. Vu Thanh Trung | February 2, 1981 | Bachelor of Economics | Appointed on July 19, 2021 |
| 2 | Mr. Tran Binh Duyen | March 2, 1947 | Level II specialist in Pharmacy | Appointed on March 5, 2021 |
| 3 | Ms. Doan Thi Thu Hoai | November 1, 1980 | Bachelor of Economics | Appointed on: May 29, 2023 |

1. Chief Accountant

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| --- | --- | --- | --- |
| Full name | Date of birth | Qualification: | Date of appointment /dismissal |
| Nguyen Manh Thang  | February 1, 1984 | Bachelor of Finance - Banking | Appointed on May 29, 2023 |

1. Training on corporate governance:
2. List of afiliated persons of the public company
3. Transactions between the Company and affiliated persons of the Company; or between the Company and major shareholders, PDMR, and affiliated persons of PDMR:

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Name of organization/individual | Relations with the Company | NSH\* No. , Date of issue, Place of issue | Head office address/Contact address | Time of transaction with the Company | General Mandate/Decision of the General Meeting of Shareholder No. or Board Resolution/Decision No. (including date of promulgation, if any) | Content, quantity, total value of transaction | Note |
| 1 | Vu Thanh Trung | General Manager -cum- Member of the Board of Directors | ID No. 010081000097 issued on May 13, 2020 at the Police Department | Block AD 09 - No. 59 Vinhomes Riverside - Phuc Loi - Long Bien, Hanoi |  | Board Resolution No. 34/2023/NQ-HDQT/DLVN | Mr. Vu Thanh Trung transfer the land use rights to Vietnam Medicinal Materials Joint Stock Company with the value of VND 15,394,000 |  |
| 2 | Vu Thanh Trung | General Manager -cum- Member of the Board of Directors  | ID No. 010081000097 issued on May 13, 2020 by Police Department  | Block AD 09 - No. 59 Vinhomes Riverside - Phuc Loi - Long Bien, Hanoi |  | Board Resolution No. 35/2023/NQ-HDQT/DLVN | Mr. Vu Thanh Trung transfer the land use rights to Vietnam Medicinal Materials Joint Stock Company with the value of VND 50,473,812,000 |  |

1. Transactions between Company’s PDMR, affiliated persons of PDMR and subsidiaries or companies controlled by the Company
2. Transactions between the Company and other entities
3. Transactions between the Company and the company in which members of the Board of Directors, members of the Supervisory Board, the Manager (General Manager) and other managers have been founding members or members of the Board of Directors, the Executive Manager (General Manager) for the past three (03) years (calculated at the time of reporting).

None

1. Transactions between the Company and companies where the affiliated persons of members of the Board of Directors, members of the Supervisory Board, the Manager (General Manager) and other managers are members of the Board of Directors, the Executive Manager (General Manager).

None

1. Other transactions of the Company (if any) that can bring about material or non-material benefits to members of the Board of Directors, members of the Supervisory Board, the Manager (General Manager) and other managers

None

1. Share transactions of PDMR and affiliated persons of PDMR
2. Company’s share transaction of PDMR and affiliated persons

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| --- | --- | --- | --- | --- | --- |
| No. | Transaction conductor | Relations with PDMR | Number of shares owned at the beginning of the period | Number of shares owned at the end of the period | Reasons for increase or decrease (purchase, sell, convert, reward,etc.) |
| Number of shares | Rate | Number of shares | Rate  |
| 1 | Tran Binh Duyen | Chair of the Board of Directors  | 230,000 | 0.56% | 160,000 | 0.45% | Personal reason |

1. Other significant issues None