

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom – Happiness**

**INTERNAL REGULATION ON  
CORPORATE GOVERNANCE  
OF BINH DINH PHARMACEUTICAL AND  
MEDICAL EQUIPMENT JOINT STOCK  
COMPANY**

Binh Dinh, April 26, 2025

## TABLE OF CONTENTS

<u>CHAPTER I. GENERAL PROVISIONS</u>	1
<u>Article 1. Governing scope and regulated entities</u>	1
<u>Article 2. Definitions</u>	1
<u>Article 3. General provisions</u>	1
<u>CHAPTER II. GENERAL MEETING OF SHAREHOLDERS</u>	2
<u>Article 4. Rights of Shareholders</u>	2
<u>Article 5. Ensuring the rights of Shareholders</u>	2
<u>Article 6. Roles, rights and obligations of the General Meeting of Shareholders</u>	2
<u>Article 7. The General Meeting of Shareholders</u>	3
<u>Article 8. Order and Procedures for Convening and Voting at the General Meeting of Shareholders</u>	5
<u>CHAPTER III. THE BOARD OF DIRECTORS</u>	8
<u>Article 9. Board of Directors</u>	8
<u>Article 10. Rights and Responsibilities of the Board of Directors</u>	8
<u>Article 11. Procedures for nomination, candidacy, election, removal, and dismissal of Members of the Board of Directors</u>	9
<u>Article 12. Rights and Obligations of Members of the Board of Directors</u>	10
<u>Article 13. Procedures for organizing Board of Directors meetings</u>	10
<u>Article 14. Operating Budget of the Board of Directors</u>	11
<u>CHAPTER IV. AUDIT COMMITTEE</u>	11
<u>Article 15. Audit Committee</u>	11
<u>Article 16. Rights and Responsibilities of the Audit Committee</u>	12
<u>Article 17. Procedures for Appointment, Dismissal, and Removal of Audit Committee Members</u>	12
<u>Article 18. Organization of Audit Committee Meetings</u>	12
<u>Article 19. Report of Independent Members of the Board of Directors in the Audit Committee at the Annual General Meeting of Shareholders</u>	12
<u>Article 20. Operational Expenses of the Audit Committee</u>	12
<u>CHAPTER V. SUBCOMMITTEES UNDER THE BOARD OF DIRECTORS</u>	13
<u>Article 21. Subcommittees under the Board of Directors; and Operating Budget of the Subcommittees</u>	13
<u>CHAPTER VI. CORPORATE GOVERNANCE OFFICERS</u>	14
<u>Article 22. Selection, Appointment and Dismissal of Corporate Governance Officers</u>	14
<u>Article 23. Rights and Obligations of Corporate Governance Officers</u>	14
<u>CHAPTER VII. COORDINATION OF ACTIVITIES BETWEEN THE BOARD OF DIRECTORS, AUDIT COMMITTEE, AND GENERAL DIRECTOR</u>	15

<u>Article 24. Principles of Coordination of Management, Administration, and Control Activities</u>	15
<u>CHAPTER VIII. BUSINESS EXECUTIVES AND OTHER REGULATIONS</u>	16
<u>Article 25. Order and Procedures for Appointing, Dismissing, and Removing Business Executives</u>	16
<u>Article 26. Company's Authorized Representatives at Other Organizations</u>	16
<u>Article 27. Affiliated Persons and Control Transactions with Affiliated Persons</u>	17
<u>Article 28. Ensuring the legal rights of Persons with related interests</u>	17
<u>CHAPTER IX. OPERATION ASSESSMENT OF MEMBER OF THE BOARD OF DIRECTORS, GENERAL DIRECTOR, BUSINESS EXECUTIVES AND OTHER POSITIONS PERFORM ASSISTANCE FUNCTIONS TO THE BOARD OF DIRECTORS</u>	18
<u>Article 38. Operation assessment of member of the Board of Directors, General Director, Business Executives and other positions perform assistance functions to the Board of Directors</u>	18
<u>Article 39. Remuneration allocation, reward and discipline</u>	18
<u>CHAPTER X. INFORMATION DISCLOSURE</u>	19
<u>Article 40. Regular Disclosure of Information</u>	19
<u>Article 41. Disclose Information on Corporate Governance</u>	19
<u>CHAPTER XI. IMPLEMENTATION CLAUSES</u>	20
<u>Article 42. Implementation clauses</u>	20

## **CHAPTER I. GENERAL PROVISIONS**

### **Article 1. Governing scope and regulated entities**

1. Governing scope: This Internal Regulation on Corporate Governance outlines:
  - a. fundamental principles governing corporate governance to safeguard the lawful rights and interests of shareholders;
  - b. the roles, rights and obligations of the General Meeting of Shareholders, the Board of Directors, the General Director
  - c. procedures for conducting General Meetings of Shareholders;
  - d. nomination, self-nomination, dismissal and discharge of members of the Board of Directors, Audit Committee, Subcommittee under the Board of Directors, General Director;
  - e. other activities prescribed by the Company's Charter and applicable regulations of law.
2. Regulated entities: This Regulation are applied to members of the Board of Directors, the Audit Committee, the Subcommittee under the Board of Director, the General Director and other Business Executives.

### **Article 2. Definitions**

1. Unless the context otherwise requires, terms defined in Article 1, Company's Charter shall have the same meaning in this Regulation.
2. "Corporate governance" refers to a system of rules designed to ensure the effective direction and control of the Company for the benefit of Shareholders and Persons with related interests. Principles of corporate governance include:
  - a. Ensuring the presence of an effective governance structure;
  - b. Safeguarding the rights of Shareholders;
  - c. Promoting fairness among Shareholders;
  - d. Ensuring the participation of parties with related interests;
  - e. Upholding transparency in the Company's operations;
  - f. Effective leadership and control by the Board of Directors.
3. "This Regulation" refers to the Internal Regulation on Corporate Governance of Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company and any related documents that amend, supplement, or replace it.

### **Article 3. General provisions**

1. The headings of each chapter, article, and clause of the Regulation are provided for convenience only and do not influence the interpretation of the provisions within this Regulation;
2. Within this Regulation, any mention of provisions or documents shall encompass amendments, supplements, or replacements made to them.



## CHAPTER II. GENERAL MEETING OF SHAREHOLDERS

### Article 4. Rights of Shareholders

Shareholders of the Company possess all rights outlined in Company's Charter and law.

### Article 5. Ensuring the rights of Shareholders

1. The Company is committed to safeguarding the lawful rights of all Shareholders, irrespective of their organizational status, individual identity, nationality..
2. Members of the Board of Directors, General Director, and Business Executives shall respect to uphold all legal rights of Shareholders as stipulated by law, the Company's Charter and this Regulation.

### Article 6. Roles, rights and obligations of the General Meeting of Shareholders

Some provisions on the role, rights and obligations of the General Meeting of Shareholders in **Article 15** of the Company's Charter are interpreted as follows:

1. Point a, Clause 1: The General Meeting of Shareholders has right and obligation *Approve the Company's development orientation Company's development orientations*, which means:
  - a. Orientation of operations and structure of the Company;
  - b. Scope of production and business activities and core industries that the Company focuses on developing;
  - c. The Company's 5-year development strategy.
2. Point h, Clause 1: The General Meeting of Shareholders has right and obligation *Consider taking actions against violations committed by members of the Board of Directors if they cause damage to the Company and its shareholders*, which means consider, takeing actions against following violations:
  - a. Issue Resolutions or make decisions beyond the authority of the Board of Directors;
  - b. Performing assigned tasks carelessly, dishonestly, and not in the best interests of the Company and/or violating the provisions of law;
  - c. Failure to complete assigned tasks causing damage to the Company;
  - d. Violation of the Company's anti-conflict of interest regulations. Damages include but are not limited to damages related to the Company's assets, reputation, honor and image.
  - e. Other violations deemed necessary for review and handling by the General Meeting of Shareholders.
3. Point a, Clause 2: The General Meeting of Shareholders discuss and approve *Company's annual business plan*, which means discuss and approve Company's revenue plan, pre-tax profit (consolidated) and dividend payout ratio.
4. Point c, Clause 2: The General Meeting of Shareholders discuss and approve *The report of the Board of Directors on administration and performance of the Board of Directors and*

*each of its members*, which means discuss and approve The report including following contents:

- a. Report on assessment of the performance of the Board of Directors and each member of the Board of Directors during the year;
  - b. Report on the remunerations, bonuses and other benefits of the Board of Directors and each member of the Board of Directors during the year;
  - c. Reports on the Meetings and Resolutions/ Decisions of Board of Directors during the year.
  - d. Report on assessment of the performance of the subcommittees under the Board of Directors.
  - e. Report on assessment of performance of the General Director and the Executive Board during the year;
  - f. Report on annual business plan;
  - g. Propose next year's business plan.
5. Point c, Clause 2: The General Meeting of Shareholders discuss and approve *Report of Independent members of the Board of Directors*, which means discuss and approve The report of Independent members including following contents:
- a. Remuneration, operation expenses and other benefits of the Audit Committee and each member of the Audit Committee in accordance with the Law on Enterprises and the Company's Charter;
  - b. The summary of the meetings of the Audit Committee and conclusions, recommendations of the Audit Committee;
  - c. Results of supervision of the company's financial statements, operations and finance;
  - d. A report on evaluation of the transactions between Bidiphar, subsidiaries and companies with over 50% or more of charter capital controlled Bidiphar and members of the Board of Directors, General Director and other Business Executives of Bidiphar and their affiliated persons; transactions between Bidiphar and companies in which members of the Board of Directors, General Director, other business executives of Bidiphar are founding members or corporate governance officers within the latest 03 years prior to the transaction time;
  - e. Results of assessment of the company's internal control and risk management system;
  - f. Results of supervision of the Board of Directors, Chief Executive Officer and other Business Executives;
  - g. Results of assessment of the operation coordination between the Audit Committee and the Board of Directors, General Director and shareholders.

## **Article 7. The General Meeting of Shareholders**

1. The procedures and protocols for convening and conducting voting at the General Meeting of Shareholders include the following key contents:
  - a. Authorization to call a General Meeting of Shareholders;
  - b. Public announcement of the shareholder list eligible to attend the General Meeting;
  - c. Issuance of official notices convening the General Meeting of Shareholders;
  - d. Agenda and proceedings of the General Meeting of Shareholders;
  - e. Authorization to attend the General Meeting of Shareholders;
  - f. Procedures for shareholder registration for attendance at the General Meeting of Shareholders;
  - g. Requirements for the conduct of the meeting;
  - h. Organization of the General Meeting of Shareholders;
  - i. Voting methods, tallying of votes, and announcement of voting results at the General Meeting of Shareholders;
  - j. Drafting the minutes of the General Meeting of Shareholders;
  - k. Protocols for contesting resolutions made at the General Meeting of Shareholders;
  - l. Information disclosure of resolutions and minutes adopted of the General Meeting of Shareholders;
  - m. Carrying out questionnaire survey for ratification of resolutions of the General Meeting of Shareholders;
  - n. Other contents.
2. The Company meticulously complies to the prescribed order and procedures for convening the General Meeting of Shareholders, as delineated by law, the Company's Charter and this Regulation.
3. Every year, the Company must convene an Annual General Meeting of Shareholders in accordance with law and the Company's Charter. The Annual General Meeting of Shareholders does not employ the method of collecting written opinions from Shareholders.
4. When necessary, Bidiphar leverages modern information technology to facilitate Shareholders' participation and feedback during the General Meeting of Shareholders through online meetings and electronic voting.
5. The General Meeting of Shareholders may convene through physical attendance, virtual attendance, or a hybrid format combining both, as determined by the resolution/decision of the Board of Directors.

In case when the General Meeting of Shareholders is conducted through virtual attendance or a combination of physical attendance and virtual attendance, the Board of Directors must issue (can use the consult service of vendor for online meeting services). Regulations pertaining to meeting organization and associated voting procedures. Furthermore, the Board of Directors holds the authority to select an appropriate service provider for online meeting services to facilitate the General Meeting of Shareholders.

## **Article 8. Order and Procedures for Convening and Voting at the General Meeting of Shareholders**

1. Authority to convene the General Meeting of Shareholders:
  - a. Board of Directors;
  - b. The shareholder or group of shareholders holds at least 05% of total ordinary shares.
2. Notice of Closing the List of Shareholders eligible to attend the General Meeting of Shareholders:
  - a. The Company must send a Notice to the Vietnam Securities Depository and Clearing Corporation about the final registration date to close the List of Securities Owners.
  - b. The compilation of the list of Shareholders entitled to attend the General Meeting of Shareholders is based on the list of securities owners furnished by the Vietnam Securities Depository Center.
3. The notification convening the General Meeting of Shareholders is conducted in accordance with the provisions outlined in Clause 3, Article 18 of the Company's Charter.
4. Agenda and content of the General Meeting of Shareholders:
  - a. The person convening the General Meeting of Shareholders is tasked with preparing the agenda and content of the meeting;
  - b. Shareholders or groups of Shareholders specified in Clause 4 Article 18 of the Company's Charter possesses the right to propose issues for inclusion in the General Meeting of Shareholders agenda. Such proposals must be submitted in writing to the Company no later than three (05) working days before the meeting's commencement date. The proposal must distinctly specify the shareholder's name, the quantity of each type of shareholder's shares, and the proposed agenda item for the General Meeting of Shareholders;
  - c. Should the person convening the General Meeting of Shareholders reject a proposal as specified in Point b Clause 4 of this Article, a written response detailing the rationale must be provided at least two (02) working days before the meeting's opening date. The person convening the General Meeting of Shareholders may only decline a proposal under the following circumstances:
    - (i) The proposal was improperly submitted as stipulated in Point b, Clause 4 of this Article;
    - (ii) The proposed issue falls outside the decision-making purview of the General Meeting of Shareholders;
    - (iii) Other scenarios outlined in the Company's Charter or in law.
  - d. The person convening the General Meeting of Shareholders must incorporate the recommendations outlined in Point b, Clause 4 of this Article into the proposed agenda and meeting content, except in the case specified in Point c, Clause 4 of this Article.



The proposal will be formally added to the agenda and meeting content upon approval by the General Meeting of Shareholders.

5. Conditions for conducting a General Meeting of Shareholders are specified in Article 19, Company's Charter.
6. Registration to attend the General Meeting of Shareholders:
  - a. Shareholders opt to register to attend the General Meeting of Shareholders before the meeting's opening date, following the instructions provided in the meeting notice, which may include:
    - (i) Registration via email or fax;
    - (ii) Appointment of an authorized representative to attend the meeting. The authorized representative of an organization shareholder must have valid Authorization to attend the meeting. If an organizational shareholder appoints more than one representative, the number of authorized shares for each representative must be clearly specified; in case it is not specified, the number of authorized shares will be divided equally among the representatives.
    - (iii) Other registration methods prescribed by the Board of Directors in accordance with the laws.
  - b. On the day of the General Meeting of Shareholders, the Company facilitates the registration procedures for attending shareholders until all eligible Shareholders have registered. Each voting Shareholder or their authorized representative shall be provided with a vote card which has a registration number, full name, and the number of voting shares they possess.
  - c. Late-arriving Shareholders have the right to register to attend the meeting immediately and then have the right to participate and vote at the meeting. The chair does not have responsibility to suspend the meeting to allow late-arriving Shareholders to register to attend the meeting and votes conducted prior to the arrival of late-arriving Shareholders shall remain valid.
7. Voting Procedure: The voting form and method for each issue are determined in the Working Regulation endorsed by the General Meeting of Shareholders before its commencement.
8. Counting votes is conducted as follows:
  - a. Before commencing the General Meeting of Shareholders, the Chairperson may appoint a Vote Counting Committee upon requested by the General Meeting of Shareholders. This Committee comprises no fewer than three (03) members. For contentious matters or upon shareholders' request, the Company may engage a neutral organization to oversee vote counting.
  - b. Vote counting adheres to the Meeting's Working Regulation and in accordance with the Company's Charter. The results are documented in a vote counting record, signed by all members of the Vote Counting Committee. Subsequently, voting cards, vote

counting minutes, and associated documents are sealed and handed over to the Company Secretary at the General Meeting of Shareholders' conclusion.

9. The total number of shares with voting rights for, against, or expressing no opinion on each issue voted upon will be publicly announced by the Chairperson or the Vote Counting Committee. These tallies will be recorded in the minutes of the General Meeting of Shareholders after the vote counting process.
10. Minutes of the General Meeting of Shareholders are prepared in accordance with the provisions outlined in Article 23 of the Company's Charter.
11. The shareholder or group of shareholders holds at least 05% of total ordinary shares is entitled to request the court or arbitral tribunal to consider cancelling all or part of the resolution of the General Meeting of Shareholders according to Article 24 of the Company's Charter.



### **CHAPTER III. THE BOARD OF DIRECTORS**

#### **Article 9. Board of Directors**

1. The number and term of members of the Board of Directors are determined in accordance with the specifications outlined in Article 26 of the Company's Charter.
2. The composition of the Board of Directors ensures a harmonious mix of executive, nonexecutive, and independent members. The number of independent members conforms to the requirements specified in Clause 3, Article 26 of the Company's Charter.
3. The Board of Directors establishes Audit Committee and Subcommittees to provide assistance and support in activities of the Board of Directors.

#### **Article 10. Rights and Responsibilities of the Board of Directors**

1. The Board of Directors bears the responsibility to the General Meeting of Shareholders and the Shareholders for overseeing the Company's management; ensures the Company's activities adhere to legal stipulations, Resolutions of the General Meeting of Shareholders, the Company's Charter, this Regulation and the Regulation on Operation of Board of Directors; upholds impartial treatment towards all Shareholders and acknowledges the interests of Stakeholders.
2. The Company delineates the order and procedures for nomination, self-nomination, election, dismissal and discharge of members of the Board of Directors, as well as the arrangements for organizing the Board of Directors meetings and the processes for coordinating activities between the Board of Directors and the General Director. These encompass the following key aspects:
  - a. Order and procedures for nomination, self-nomination, election, dismissal and discharge of members of the Board of Directors specified in Article 11 of this Regulation, including the following key contents:
    - (i) Standards for the Members of the Board of Directors;
    - (ii) Nomination and candidacy of the Members of the Board of Directors;
    - (iii) Procedures for electing the Members of the Board of Directors;
    - (iv) Circumstances for dismissal or discharge of the Members of the Board of Directors;
    - (v) Notification regarding the election, dismissal, and discharge of Board members.
  - b. Order and procedures for organizing meetings of the Board of Directors specified in Article 13 of this Regulation, including the following key contents:
    - (i) Issuance of notices for meetings of the Board of Directors, detailing the agenda, time, venue, relevant documents, and voting paper (if applicable)
    - (ii) Conditions for convening meetings of the Board of Directors;
    - (iii) Protocols for voting during meetings of the Board of Directors;
    - (iv) Procedures for passing resolutions/decisions of the Board of Directors;
    - (v) Compilation of minutes for meetings of the Board of Directors;

- (vi) Notification for Resolutions/Decisions of Board of Directors.
- c. Processes and procedures for coordinating activities between the Board of Directors and the General Director include the following key contents and specified in Regulation on Operation of the Board of Directors:
  - (i) Processes and procedures for convening, issuing meeting invitations, recording minutes, and announcing outcomes of meetings between the Board of Directors and the General Director;
  - (ii) Notification for Resolutions/Decisions of the Board of Directors to the General Director;
  - (iii) Reports of the General Director to the Board of Directors on task implementation and delegated powers;
  - (iv) Evaluation of the implementation of Resolution/Decision, and tasks related to the authorization, decentralization of power by the Board of Directors to the General Director and other Business Executives;
  - (v) Issues that the General Director must report, provide information and notification methods to the Board of Directors;
  - (vi) Control and supervision activities of Board of Directors to General Director and other Business Executives.
- 3. Establishes protocols for the selection, appointment, and dismissal of Business Executives are accordance with the Company's Charter.
- 4. The Board of Directors is obligated to present reports on its activities at the Annual General Meeting of Shareholders, as stipulated in Article 14 of this Regulation.
- 5. The Board of Directors may authorize, decentralize its powers in accordance with resolutions and decisions, as specified in Regulation on Operation of the Board of Directors.

**Article 11. Procedures for nomination, candidacy, election, removal, and dismissal of Members of the Board of Directors**

1. Members of the Board of Directors must meet the standards set forth for Members of the Board of Directors as outlined in Clause 4, Article 25 of the Company's Charter. A member of the Board of Directors of the Company may not concurrently serve as a member of the Board of Directors for more than 05 other companies.
2. Nomination and candidacy procedures for Members of the Board of Directors are conducted in accordance with the provisions outlined in Article 25 of the Company's Charter. Shareholders or a group of Shareholders wishing to nominate candidates for Members of the Board of Directors must submit a notice of nomination to the convener of the General Meeting of Shareholders at least **15** days prior to the meeting date. The notice should include shareholder details, total voting shares held, full name of the nominated candidate, and relevant information about the candidate of the Board of Director as specified in Clause 1, Article 25 of the Company's Charter.

3. Information regarding candidates for members of the Board of Directors is disclosed in accordance with the provisions of Clause 1, Article 25 of the Company's Charter to allow Shareholders to familiarize themselves with the candidates before voting.
4. The election of Members of the Board of Directors, conducted via cumulative voting method, must adhere to Working Regulation approved by the General Meeting of Shareholders.
5. A member of the Board of Directors no longer has the status of a member of the Board of Directors specified in Clause 4, Article 26 of the Company's Charter.
6. The Company discloses information regarding the nomination, candidacy, election, dismissal, and removal of Members of the Board of Directors in accordance with securities laws.

#### **Article 12. Rights and Obligations of Members of the Board of Directors**

1. Members of the Board of Directors possess rights and obligations in accordance with legal provisions, the Company's Charter, this Regulation, the Regulation on Operation of the Board of Directors and resolutions/decisions of the Board, other regulation issued by the Board.
2. Members of the Board of Directors must diligently, conscientiously, confidentially exercise their rights and obligations for the ultimate benefit of Shareholders and the Company.
3. Members of the Board of Directors have the right to access all information and documents concerning the Company's operations and are responsible for maintaining confidentiality in accordance with the Company's regulations.

#### **Article 13. Procedures for organizing Board of Directors meetings**

1. Board of Directors meetings are conducted in accordance with the Company's Charter, this Regulation, and Regulation on Operation of the Board of Directors.
2. Types of meetings:
  - a. In the case of electing the Board of Directors with additional members, the members of the Board of Directors, Board of Directors must be convened the meeting within seven (07) days following the conclusion of the election. This meeting is convened by the current Chairman of the Board of Directors. If terms of the Chairman of the Board of Directors expire, the members of the Board of Directors elect one among them by majority vote to convene the meeting of the Board of Directors.
  - b. The Chairman of the Board of Directors convenes regular meetings as per the Company's Charter, this Regulation and Regulation on Operation of the Board of Directors.
  - c. The Chairman of the Board of Directors or the requester has authority to convene extraordinary meetings of the Board of Directors may convene such extraordinary

meetings according to the provisions of Clauses 3, 4 and 5, Article 30, Company's Charter.

3. Notices, agendas, and relevant documents for meetings are distributed to Members of the Board of Directors in accordance with Clause 6, Article 30 of the Company's Charter.
4. Conditions for conducting a meeting of the Board of Directors comply with the Clause 7, Article 30, Company's Charter.
5. Forms of Organizing Board of Directors Meetings:
  - a. In person meetings;
  - b. Online meetings;
  - c. Online combined with in person meetings;
  - d. Collection of opinions through online platforms.
6. Voting methods during Board of Directors meetings:
  - a. Each member of the Board of Directors or authorized representative shall possess 01 voting right, except as stipulated in Point b of this Clause.
  - b. A member of the Board of Directors is prohibited from voting on contracts, transactions, or proposals in which they have interests. Such member shall still be counted towards the quorum required to hold a Board of Directors meeting.
  - c. Absent members of the Board of Directors may vote on decisions of the Board of Directors via written ballot. This ballot must be submitted to the Chairman of the Board of Directors at least 01 hour before the opening hour.
7. Resolutions/Decisions of the Board of Directors are approved according to Clause 11, Article 30 of Company's Charter.
8. Board of Directors meetings are documented through minutes and may be recorded in audio or other electronic formats. Meeting minutes must be detailed, clear and accurately reflect the content and developments of the Meeting. The Chairperson and the Person recording the minutes are accountable for the accuracy and integrity of the meeting minutes. Minutes and meeting materials must be retained by Company Secretary at the Company's headquarters.

#### **Article 14. Operating Budget of the Board of Directors**

1. The Board of Directors decides operating budget, including operational expenses of Committees/Subcommittees under the Board. The operating budget of the Board of Directors shall be accounted for as part of the Company's operating expenses.
2. The Board of Directors shall submit the remuneration for the Board of Directors to the Annual General Meeting of Shareholders for approval.
3. The Board of Directors decide on the use and allocation of the approved total budget.

### **CHAPTER IV. AUDIT COMMITTEE**

#### **Article 15. Audit Committee**



The composition; The criteria for selecting and appointing the Chairperson of the Audit Committee set forth in Article 37 of the Company's Charter.

#### **Article 16. Rights and Responsibilities of the Audit Committee**

The Audit Committee possesses the rights and responsibilities delineated in Article 38 of the Company's Charter and other rights and responsibilities set forth in Regulation on Operation of the Audit Committee issued by the Board of Directors.

#### **Article 17. Procedures for Appointment, Dismissal, and Removal of Audit Committee Members**

1. The appointment, dismissal, and discharge of the Chairperson and other members of the Audit Committee are recommended by the Chairman of the Board of Directors and must be sanctioned by the Board of Directors during Board of Directors meetings.
2. The procedures for appointing, dismissing, and discharge the Chairperson and other members of the Audit Committee are documented in writing, with resolutions or decisions issued and information disclosed in compliance with securities laws.

#### **Article 18. Organization of Audit Committee Meetings**

1. The Audit Committee shall convene meetings in accordance with Article 39 of the Company's Charter and the Regulation on Operation of the Audit Committee.
2. The meeting form is determined by the Chairperson of the Audit Committee. The Audit Committee possesses the authority and is required to provide a 05 working day advance notice to invite the General Director and other Business Executives to attend the meeting, present and clarify the topics requested by the Audit Committee during the meeting. The General Director and Business Executives are permitted to engage in discussions and offer commentary on meeting matters but are not granted voting rights.

#### **Article 19. Report of Independent Members of the Board of Directors in the Audit Committee at the Annual General Meeting of Shareholders**

1. Independent members of the Board of Directors in the Audit Committee are tasked with reporting on activities during the Annual General Meeting of Shareholders as stipulated in Article 40 of the Company's Charter.
2. The reports of the Audit Committee as outlined in Article 40 of the Company's Charter must be distributed to the Board of Directors and the General Director 30 days prior to the scheduled date of the Annual General Meeting of Shareholders.

#### **Article 20. Operational Expenses of the Audit Committee**

1. Members of the Audit Committee are entitled to compensation, benefits, and reimbursement of operational expenses in accordance with the regulation of the Board of Directors.
2. The operational expenses of the Audit Committee, salaries, allowances, etc. of other personnel in the Audit Committee, are managed in compliance with laws, the Company's Charter and the Regulation on Operation of the Audit Committee.

## **CHAPTER V. SUBCOMMITTEES UNDER THE BOARD OF DIRECTORS**

### **Article 21. Subcommittees under the Board of Directors; and Operating Budget of the Subcommittees**

1. The Board of Directors is empowered to establish Subcommittees to provide support to the Board of Directors in managing the Company. The organizational structure, functions, tasks, powers, and obligations of these Subcommittees shall be implemented in accordance with Article 31 of the Company's Charter, Regulation on Operation of the Board of Directors, Regulation on Operation of Subcommittees (if any) and Resolutions/Decisions of the Board of Directors.
2. Operating Budget of Subcommittees is determined by the Board of Directors through Resolutions/Decisions of the Board.



## **CHAPTER VI. CORPORATE GOVERNANCE OFFICERS**

### **Article 22. Selection, Appointment and Dismissal of Corporate Governance Officers**

1. The Board of Directors selects the Corporate Governance Officers from a pool of candidates, as introduced by Board members, who meet the criteria outlined in Clause 2, Article 32 of the Company's Charter. Candidates' profiles must be provided to the Board of Directors at least 03 days prior to the meeting to select the Corporate Governance Officers.
2. The Board of Directors appoints the Corporate Governance Officers through a Resolution/Decision of the Board.
3. The Board of Directors has the authority to dismiss the Corporate Governance Officers based on a Resolution/Decision of the Board of Directors in accordance with applicable laws, the Company's Charter, and the Regulation, provided it does not contradict labor laws. The Corporate Governance Officers may be dismissed under the following circumstances:
  - a. No longer meeting the qualifications of the Corporate Governance Officers;
  - b. Failing to fulfill assigned duties and responsibilities or failing to exercise rights and obligations for 03 consecutive months, except in cases of force majeure;
  - c. Engaging in serious or repeated violations of the obligations;
  - d. Submitting a written resignation to the Board of Directors, which is subsequently approved;
  - e. The Board of Directors approves the dismissal by Resolutions/Decisions of the Board when necessary.
4. The Company is responsible for publicly announcing the appointment or dismissal of the Corporate Governance Officers according to securities laws.

### **Article 23. Rights and Obligations of Corporate Governance Officers**

1. The Corporate Governance Officers hold rights and obligations as outlined in Clause 3, Article 32 of the Company's Charter, and this Regulation, along with any additional rights and obligations determined by the Board of Directors upon appointment.
2. The Corporate Governance Officers are prohibited from sub-authorizing their rights and obligations specified in the Company's Charter and this Regulation to another individual without prior approval from the Board of Directors.

## **CHAPTER VII. COORDINATION OF ACTIVITIES BETWEEN THE BOARD OF DIRECTORS, AUDIT COMMITTEE, AND GENERAL DIRECTOR**

### **Article 24. Principles of Coordination of Management, Administration, and Control Activities**

1. The Board of Directors is responsible for managing the Company and directing, controlling and supervising the activities of the General Director and Business Executives. The General Director, in turn, manages the day-to-day operations of the Company. These management, administration, and control are conducted in accordance with the Company's Charter, this Regulation, the Regulation on Operation of the Board of Directors and other regulations issued by the Board of Directors.
2. The Board of Directors, Audit Committee, its Subcommittees and its members, should refrain from interfering with or obstructing the General Director and Business Executives in their operations except when the General Director or Business Executive makes a decision or signs a document that violates legal provisions, the Company's Charter, this Regulation, Regulation on Operation of the Board of Directors and other regulations issued by the Board.

The Board of Directors has the authority to request suspension/cancellation/alteration of such violating documents. If necessary, the Board of Directors may convene a meeting to address the responsibilities of the General Director or Business Executive, and consider taking legal action to claim damages for any harm caused to the Company.

3. Resolutions/Decisions made by the Board of Directors are binding on Audit Committee, Subcommittees, the General Director and Business Executives. In the event of disagreement or not implementing with such resolutions or decisions, Audit Committee, Subcommittees, the General Director or Business Executives must report and explain to the Board of Directors and such report/explanation must be approved by the Board.

## **CHAPTER VIII. BUSINESS EXECUTIVES AND OTHER REGULATIONS**

### **Article 25. Order and Procedures for Appointing, Dismissing, and Removing Business Executives**

1. The Board of Directors is responsible for selecting Business Executives within its decision authority.
2. The Board of Directors decides on the appointment, reappointment, dismissal, discharge, signing of labor contracts, and determination of salary and other benefits for:
  - a. the General Director based on the recommendations of at least 02 members of the Board of Directors;
  - b. other business executives based on the recommendations of the General Director or at least 02 members of the Board of Directors.
3. Resolutions/Decisions Appointing Business Executives are made for specified terms.
4. The Board of Directors has the authority to dismiss or discharge the Business Executives from their duties under the following circumstances:
  - a. Submission of a letter of resignation or termination of the labor contract with the Company;
  - b. Failure to accomplish assigned tasks for 02 consecutive years;
  - c. Displaying attitudes and behaviors during the course of work that, in the assessment of the Board of Directors, significantly adversely affect the Company;
  - d. Failure to meet the standards and conditions outlined in the Company's Charter and this Regulation, or severe violation of the regulations pertaining to the rights and responsibilities of Business Executives;
  - e. The position of Business Executive becomes redundant due to changes in the Company's organizational structure as decided by the Board of Directors.
5. The Board of Directors is responsible for announcing the appointment, labor contract signings, dismissal, and removal of Business Executives in compliance with legal requirements and disclosure according to regulations outlined in securities laws.
6. The Board of Directors possesses the authority to appoint, dismiss, remove from duty, and oversee authorized representatives of the Company in other organizations.
7. The General Director holds the right to propose a structure, including the number and titles; salaries, remuneration and other benefits of Business Executives and authorized representatives of the Company in other organizations, for the consideration of the Board of Directors.

### **Article 26. Company's Authorized Representatives at Other Organizations**

1. The Company's Authorized Representatives at other organizations hold responsibilities, powers, and obligations as owners, shareholders, or capital-contributing members at those

organizations as determined by the Company's Charter, this Regulation, Regulation on Operation of the Board of Directors, Resolutions/Decisions of the Board.

2. The Board of Directors shall establish detailed regulations of the organization and operation of the Company's Authorized Representative at other organizations.
3. The Board of Directors has the power to decentralize or authorize to the General Director the power to (i) decide on matters related to subsidiary companies, organizations in which the Company holds shares/equity, and (ii) supervise the representatives authorized by the Company at other organizations.

#### **Article 27. Affiliated Persons and Control Transactions with Affiliated Persons**

1. Members of the Board of Directors, the General Directors, other Business Executives and other subjects as prescribed by law are required to disclose any affiliated persons and related interests as per the stipulations of the Law on Enterprises, the Law on Securities, and the regulations outlined in the Company's Charter and this Regulation.
2. The Board of Directors shall establish detailed regulations of implementation and control of transactions with Affiliated persons in accordance with the provisions of law and the Company's Charter.

#### **Article 28. Ensuring the legal rights of Persons with related interests**

1. The Company is obligated to uphold the legal rights of Persons with related interests, encompassing banks, creditors, employees, consumers, suppliers, communities, and other parties with related interests.
2. The Company should actively engage with Persons with related interests by:
  - a. Furnishing all essential information to banks and creditors to aid them in evaluating the Company's operational and financial status and making decisions; and/or
  - b. Encouraging Persons with related interests to voice their opinions on business operations, financial status, and crucial decisions affecting their interests by directly engaging with the Company.
3. The General Meeting of Shareholders, Board of Directors, General Director, and other Business Executives must consistently uphold and safeguard the legal rights and interests of the Company's employees; always take into account and prioritize the welfare of employees in their decision-making processes.
4. The Company is mandated to fully adhere to labor, environmental, and social regulations and operate with a sense of responsibility towards the community and society at large.

564  
Y  
IN  
THE  
DIN  
HAR  
1-T.8



**CHAPTER IX. OPERATION ASSESSMENT OF MEMBER OF  
THE BOARD OF DIRECTORS, GENERAL DIRECTOR, BUSINESS EXECUTIVES  
AND OTHER POSITIONS PERFORM ASSISTANCE FUNCTIONS TO THE BOARD  
OF DIRECTORS**

**Article 29. Operation assessment of member of the Board of Directors, General Director, Business Executives and other positions perform assistance functions to the Board of Directors**

1. The Board of Directors is tasked with developing the content, standards, and methods for evaluating the performance of members of the Board of Directors, General Director, Business Executives and positions perform assistance functions to the Board of Directors.
2. The Board of Directors will decide in the first meeting of the fiscal year the evaluation contents, evaluation criteria, and methods for assessing the performance of positions under their authority for that fiscal year.
3. The specific procedures and order for conducting meetings for performance evaluation and announcing the evaluation results of Board members, General Director and positions perform assistance functions to the Board are outlined in the Regulation on Operation of the Board of Directors.

**Article 30. Remuneration allocation, reward and discipline**

1. he Board of Directors allocates the remuneration approved by the Annual General Meeting of Shareholders to the members of the Board of Directors and the departments/positions that provide advisory and support functions to the Board of Directors.
2. The Board of Directors applies public written disciplinary measures with the highest form of disciplinary action being a recommendation to the General Meeting of Shareholders for dismissal/discharge.

## **CHAPTER X. INFORMATION DISCLOSURE**

### **Article 31. Regular Disclosure of Information**

1. The Company is mandated to fully, accurately and promptly disclose periodic and extraordinary information regarding its production and business activities, financial status, and corporate governance to Shareholders and the public. Moreover, the Company must promptly and comprehensively disclose any other information that could potentially impact stock prices or influence the decisions of shareholders and investors.
2. Information disclosure must be executed in a manner that ensures fair and simultaneous access for shareholders and the investing public. The language used in information disclosure should be clear, easily understandable, and devoid of any elements that could mislead shareholders and the public.

### **Article 32. Disclose Information on Corporate Governance**

1. The Company is required to disclose information regarding the corporate governance situation at the Annual General Meeting of Shareholders and in the Company's Annual Report, following the guidelines set forth by securities laws.
2. The Company must periodically report every 06 months and disclose information about the corporate governance status, adhering to the regulations stipulated by securities laws.





## CHAPTER XI. IMPLEMENTATION CLAUSES

### Article 33. Implementation clauses

1. This Regulation has 11 Chapters, 33 Articles and is fully ratified by the General Meeting of Shareholders of Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company on 26/04/2025 at No. 498 Nguyen Thai Hoc Street, Quang Trung Ward, Quy Nhon City, Binh Dinh and accept the full validity of this Regulation. This Regulation replaces Internal Regulation on Corporate Governance approved in 2023 Annual General Meeting of Shareholders.
2. This Regulation is produced in three 05 copies, all having equal validity. Copies or excerpts of the Regulation are deemed valid only when signed by the Chairperson of the Board of Directors, the legal representative of the Company, or certified by a competent organization.
3. If any provision in the Regulation conflicts with the Company's Charter or legal provisions, the provisions of the Company's Charter and legal provisions shall prevail.

ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN

*(Signature, full name and seal)*



Tạ Nam Bình

