#### TRAPHACO JSC

### THE SOCIALIST REPUBLIC OF VIETNAM

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Email: info@traphaco.com.vn

No: 36/2017/BC-HĐQT

Hanoi, May 10, 2017

## REPORT ON CORPORATE GOVERNANCE Q1 2017

- Name of listed company: TRAPHACO JSC

- Headquarters address: 75 Yen Ninh, Ba Dinh, Hanoi

- Phone: 043.6830751 Fax: 043.6815097

- Charter capital: VND 345,455,160,000,

- Stock code: TRA

### I. General Assembly of Shareholders

No	Resolution / Decision No.	Date	Content				
1	28/2017/NQ- ĐHĐCĐ	30/3/2016	<ol> <li>Report of the Board of Directors in 2016 (including results of production and business activities, audited financial statements, Report of the Supervisory Board)</li> <li>Direction and tasks in 2017</li> <li>The Sustainable Development Strategy for the period of 2017-2020</li> <li>Profit distribution, dividend payment in 2016</li> </ol>				
	Alto di 1808	entenia	<ul> <li>5. The share split in 2017</li> <li>6. The estimated allocation of profit after tax, and the remuneration of the Board of Directors and the Supervisory Board in 2017.</li> <li>7. Authorize the Board of Directors to select auditors</li> <li>8. Authorize the Board of Directors to sign the Contract with Traphaco CNC</li> </ul>				

## II. Activities of the Board of Directors

1. Information about members of the Board of Directors (BoD):

No	Board Member	Position	The starting date of BoD membershi	Number of BOD meetings attended	Meetin g attenda nce rate	Reasons for absence at meetings
1.	Vu Thi Thuan	Chairwoman	3/30/2016	05/05	100%	
2.	Mr. Nguyen Anh Tuan	Vice Chairman	3/30/2016	05/05	100%	
3.	Mr. Nguyen Hong Hien	Board Member	3/30/2016	03/05	60%	Authorizi ng Mr.

						Tuan
4.	Tran Tuc Ma	Board Member	3/30/2016	05/05	100%	
5.	Mr. Chad Ryan Ovel	Board Member	3/30/2016	04/05	80%	Authorizi ng Mr. Chris Freund
6.	Mr. Christopher E. Freund	Board Member	3/30/2016	02/05	40%	Authorizi ng Mr Chad Ovel
7.	Mr. Marcus John Pitt	Board Member	3/30/2016	05/05	100%	

- 2. BoD's activities of supervising the Executive Board
- Supervise the implementation of the Company's business plan (according to KPIs of Q1, new plant construction progress).
- Direct the Executive Board to hold the 2017 AGM (review and approve the contents of documents submitted to the AGM, submit the contracts with related parties to the AGM).
- Direct, supervise and assist the CEO and other managers in implementing the resolution of the AGM (paying dividends, issuing bonus shares, selecting auditing firms, distributing profits, deploying Strategy to 2020, the progress of 8 new products); Resolutions, BoD decisions (details are listed in section 4.).
- Disclose information and submit reports according to the current regulations of the State management agencies.
- Make advanced payments of the first dividend payment in 2016 to shareholders (20% / charter capital).
- 3. Activities of subcommittees of the Board of Directors: Sub-Committees: Development & Policy Subcommittee, Human Resource and Remuneration Subcommittee, and Audit Subcommittee operate under the BoD's Regulation on Organization and Operation of the BoD and other related regulations.
- 4. Resolutions / Decisions of the Board of Directors (O1 report)

No	Resolution / Decision No.	Date	Content				
1.	01/QĐ	2/7/2017	Appoint Deputy CEO Nguyen Van Bui				
2.	02/QĐ	1/19/2017	Regulation on Traphaco JSC's Representatives of capital in enterprises				
3.	03/QĐ	1/19/2017	On appointment, reappointment and dismissal of managerial officers in Traphaco JSC				
4.	04/QĐ	1/19/2017	The Regulation on Management of Contracts and Transactions between Traphaco JSC and Related				

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5.	05/QĐ	1/19/2017	Appoint Mr. Dinh Trung Kien to be Representative of capital of Traphaco at Daklak Pharmaceuticals and Medical Supplies JSC
6.	06/QĐ	1/19/2017	Appoint Mr.Thai Duc Luan to be Representative of capital of Traphaco at Quang Tri Pharmaceuticals and Medical Supplies JSC
7.	07/QĐ	1/19/2017	Appoint Mr. Nguyen Huy Van to be Representative of capital of Traphaco at Traphaco Sapa
8.	08/QĐ	1/19/2017	Approve the nomination of Ms. Dao Thi Hong Anh as Chief Accountant at Traphaco Hung Yen
9.	09/QĐ	1/19/2017	Elect Ms. Dinh Thi Xuan Hong to be Comptroller of Traphaco Hung Yen
10.	11/QĐ	2/7/2017	Dismiss Mrs. Hoang Thi Ruoc from Deputy CEO
11.	12/QĐ	2/8/2017	Raise the performace-based rate of salary for Deputy CEO Nguyen Thi Lan
12.	13/QĐ	2/17/2017	Appoint Mr. Nguyen Van Nhuong to be Representative of capital of Traphaco at Traphaco CNC
13.	14/QĐ	3/8/2017	Approve the purchase of Innova TGT car
14.	15/QĐ	3/13/2017	Approve the implementation of the Digital Marketing Project for Cebraton
15.	28/NQ	3/30/2017	Resolution of the 2017 AGM

# III. Supervisory Board:

1. Information about members of the Board of Supervisors (BoS)

No	Member	Position	Starting date of BoS membershi p	Number of meetings attended	Meetin g attenda nce rate	Reasons for absence at meeting s	
1.	Mr. Duong Duc Hung	Chairman	3/30/2016	04/04	100%		
2.	Ms. Do Thi Khanh Van	Member	3/30/2016	04/04	100%		
3.	Ms. Nguyen Thanh Hoa	Member	3/30/2016	04/04	100%		

- 2. Supervisory activities of the Board of Supervisors to the BoD, Executive Board and shareholders
- Attend all the BoD meetings and provide opinions on issues that fall within the mandate of the BoS.
- Supervise the implementation of business and production plans of the Company.

- Supervise the Board of Directors, Executive Board in implementing the Resolution of the AGM; Resolutions and Decisions of the Board (negotiation with Traphaco CNC).
- Supervise the disclosure of information and submit reports in accordance with the current regulations of the State management agencies.
- 3. Coordinate operations of the BoS and of the BoD, and BoM and other managers: Operate under the Regulation on the organization and operation of the BoS and other relevant regulations.
- 4. Other activities of the BoS (if any)

IV. Corporate governance training

Members of the Board of Directors, Supervisory Board members, the CEO, other managers and Secretary of the Company attended the corporate governance training in accordance with corporate governance regulations (February 2014).

V. Other issues: No

Recipients:

- as above:

-Archive: HDQT, HC.

Chairwoman

(signed)

MSc. Vu Thi Thuan