**DRI: Board Resolution**

On December 30, 2023, Dak Lak Rubber Investment Joint Stock Company announced Resolution No. 10/NQ-HDQT as follows:

‎‎Article 1. Regarding the results of implementing the Board Resolution:

The Board of Directors approves the contents of the Report of the Board of Directors’ Secretariat on implementing Board Resolution No. 07 dated October 12, 2023; No. 08 dated November 8, 2023; No. 09 dated December 8, 2023.

Article 2. Regarding the Preliminary Report on production and business results in 2023 and the progress in implementing the Sustainable Development Plan:

Approve the Executive Board's Report on preliminary production and business results in 2023 and the progress in implementing the Sustainable Development Plan. The Board of Directors directs the implementation of a number of contents to implement production and business plan 2024 as follows:

* For Daklaoruco:

1. Organize latex exploitation in Q1/2024 to achieve the highest possible results. Prepare materials for latex extraction, design tapping panels, and equip materials early. Actively survey and recruit latex exploitation workers to prepare for 2024; Increase the construction of housing for workers to both ensure compliance with FSC regulations and provide stable housing for workers.
2. Continue to coordinate with DRI to recruit indirect workers and organize training for team managers in Q1/2024.
3. Continue to improve salary for direct and indirect workers to ensure employee retention and stimulate production.
4. Continue to coordinate with the government to implement the work of protecting latex products, strengthening security forces in areas with high risk of latex loss.
5. Continue to implement the policy of buying outside latex for processing, striving to reach a minimum of 500 tons in 2024, or provide processing outsourcing services to outside partners to utilize the factory's capacity.
6. Focus on correcting errors via internal assessment of the implementation of FSC standards; at the same time, complete FSC dossiers and the Environmental Management System certification dossier according to ISO 14001:2015 standard. These contents will be implemented in Q1/2024 to invite an independent evaluation organization to evaluate from Q2 or Q3/2024.
7. Set up an investment project to replant rubber plantations to prepare a capital borrowing dossier at Vietinbank in Laos.
8. Prepare a plan to celebrate the 20th Anniversary of Daklaoruco's founding, report to the Board of Directors for knowledge and direction in Q1/2024.

* For DRI High-Tech Agriculture Limited Company:

1. Focus on caring for and flowering the durian plantation planted in 2018, ensuring the highest possible business efficiency. Focus on finding customers to consume durian.
2. Gradually liquidate bananas planted in 2020 to ensure the growth and development of durian trees.

* For DRI Company:

1. Soon deploy the production and business plan 2024 so that units can proactively implement it.
2. Promote the export of rubber latex, ensuring 65% of total sales volume. Support DRI High-Tech Agriculture Limited Company in durian consumption.
3. Continue to assign staff to support DRI High-Tech Agriculture Limited Company in managing and taking care of the durian plantations, closely following the plantation's status for timely direction.
4. Continue to support Daklaoruco in recruiting indirect workers on a regular basis; Coordinate to organize training for team management staff.
5. Continue to coordinate with Daklaoruco to implement a sustainable rubber development plan to proceed with FSC-FM and FSC-CoC certification for wood and rubber products.
6. Implement research to carry out sales procedures to the European Union in accordance with the European Union's Anti-Deforestation Law (EUDR).

Article 3: Approve adjusting the reduced plantation area in Daklaoruco according to Report No. 36/BC-CT dated December 27, 2023 of the General Manager of DRI. Thus, the total management area in Daklaoruco is redefined as 9,276.07 hectares, decreasing by 48.08 hectares.

‎‎Article 4. Latex sales formula in 2024:

* 1. Latex sales formula on short-term contract:

|  |  |  |  |
| --- | --- | --- | --- |
| Product type | Export price | Ex-warehouse Price | Note |
| SVR3L | Formula 1: (SMRL + SMR5)/2 - 15% | Export price - USD 100 | The price of SMRL, SMR5 and SMR10 are calculated as the average price of the 5 days adjacent to the price calculation date. |
| Formula 2: SVR10 + USD 60 |
| SVRCV60 | SVR3L + USD 40 |
| SVR5 | SVR3L - USD 35 |
| SVR10 | SMR10 - 7% |
| SVR20 | SVR10 - USD 20 |

* 1. Authorization for DRI General Manager in sales is as follows:
* The General Manager has the rights to review and sell goods within the prescribed floor sales price calculated from the above formula.
* The General Manager is authorized to sign contracts with unit prices up to 1% lower than the prescribed floor price. For orders selling at a price lower by more than 1% than the prescribed floor price, there must be a legitimate reason and must be approved by the Chair of the Board of Directors.
  1. Applicable time: From January 1, 2024 to December 31, 2024.

Article 5: Regarding the main targets of the production and business plan 2024:

Temporarily assign the main targets of the financial plan 2024 so that the Executive Board assigns the plan to Daklaoruco and DRI High-Tech Agriculture Limited Company. The official plan will be decided at the Annual General Meeting of Shareholders 2024. The temporary assignment plan is specifically as follows:

1. Volume target:

|  |  |
| --- | --- |
| * 1. Management area: | |
| * Total rubber area: | 8,592.3 ha, in which: |
| * Exploitation area: | 8,299.83 ha; |
| * Area of vegetative phase: | 292.47 ha. |
| * Cashew tree area: | 501.8 ha |
| * Area of eucalyptus trees and nurseries: | 13.35 ha |

* Plantation area at DRI High-Tech Agriculture Limited Company: 142.17 ha
  1. Regarding exploited and harvested products:
* Latex products: 14,000 tons; Average productivity reaches 1.69 tons/ha;
* Cashew output: 137 tons of fresh fruit; Average productivity reaches 270 kg/ha;
* Banana output: 655.5 tons; Average productivity reaches 20kg/bunch;
* Durian output: 300 tons; Average productivity reaches 40kg/tree;

1. Value target:
   1. Average selling price and product cost:

* Rubber:

Consumption output: 14,000 tons;

Average selling price: VND 34.56 million/ton (USD 1,440/ton);

Cost of goods sold: VND 30.336 million/ton (USD 1,264/ton);

* Cashew:

Average selling price: VND 20.70 million/ton (USD 1,000/ton);

Cost of goods sold: VND 21.527 million/ton (USD 1,040/ton);

* Banana:

Average selling price: VND 3.0 million/ton;

Cost of goods sold: VND 4.352 million/ton;

* Durian:

Average selling price: VND 50.00 million/ton;

Cost of goods sold: VND 34.759 million/ton;

* 1. Revenue, expenses, dividend payment:
* Total revenue and other income: VND 445,230 million;
* Revenue from goods sales: VND 437,230 million. In which: Rubber: VND 417,427 million;

Cashew: VND 2,835 million: Banana: VND 1,966 million; Durian: VND 15,000 million.

* Financial revenue and other income: VND 8,000 million.
* Total expenses: VND 388,196 million, in which:
* Rubber expenses: VND 371,966 million
* Cashew expenses: VND 2,949 million
* Banana expenses: VND 2,853 million
* Durian expenses: VND 10,427 million
* Consolidated profit before tax: VND 57,034 million;
* Expected profit after tax: VND 46,729 million;
* Latex export rate: 65% of the total amount of goods sold
* Dividend payment rate in 2024: 5% of the charter capital.

1. Investment target:

* Investment in plantation in vegetative phase: VND 9,686.155 million (in which, rubber: VND 3,812.46 million; durian: VND 5,873.69 million; equivalent to 292.47 hectares of rubber in vegetative phase, average investment expenses of VND 13,035,400/ha of rubber; and 66.64 hectares of durian in vegetative phase (4th year) at VND 94,353,467/ha).
* Capital construction investment: VND 23,883,808,112, in which: DRI High-Tech Agriculture Limited Company: VND 855,155,400, Daklaoruco: VND 21,416,600,000, and DRI Office: VND 1,612,022,712.

Article 6: Approve the roadmap for liquidation and replanting of rubber plantations to submit to the Annual General Meeting of Shareholders 2024 according to Proposal No. 22/TTr-CT dated December 25, 2023 of the DRI General Manager.

* Change the plantation area planned for replanting from 3,971.36 hectares to 4,081.64 hectares.
* Change the replanting roadmap from 2023 to 2029 to a new roadmap starting from 2025 to 2032. Specifically:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. | Year of replanting | Area | Unit | | | |
| 1st year | 2nd year | 3rd year | 4th year |
| 1 | 2025 | 94.55 | 94.55 | - | - | - |
| 2 | 2026 | 285.12 | 190.80 | 94.32 | - | - |
| 3 | 2027 | 352.84 | 206.84 | 146.00 | - | - |
| 4 | 2028 | 667.63 | 239.31 | 175.63 | 53.78 | 198.91 |
| 5 | 2029 | 829.63 | 202.77 | 217.58 | 202.99 | 206.29 |
| 6 | 2030 | 823.60 | 183.31 | 218.46 | 194.39 | 227.44 |
| 7 | 2031 | 643.19 | - | 198.62 | 231.40 | 213.17 |
| 8 | 2032 | 385.08 | - | 204.80 | 180.28 | - |
|  | Total | 4,081.64 | 1,117.58 | 1,255.41 | 862.84 | 845.81 |

* The remaining areas, including the overlapping area of Dong Hua Sao National Park, will continue to be managed and exploited until the end of the land concession period.

Article 7: Approve settling 95% of the indirect salary fund in 2023 of DRI, Daklaoruco and DRI High-Tech Agriculture Limited Company according to Proposal No. 21/TTr-CT dated December 25, 2023 of the DRI’s General Manager.

‎‎Article 8. Implementation

* Assign the DRI’s General Manager based on the contents in Articles 5 and 7 of this Resolution to prepare a document assigning the financial plan 2024 and salary settlement in 2023 to DRI and Daklaoruco and announce assigning targets in 2024 and salary settlement in 2023 to DRI's Capital Representative at DRI High-Tech Agriculture Limited Company to vote at the Board of Members meeting of DRI High-Tech Agriculture Limited Company; at the same time, prepare a document directing subsidiaries on the solutions proposed by the Board of Directors in Article 2 of this Resolution.
* The DRI’s General Manager, the Secretariat of the Board of Directors, the Capital Representative of DRI at DRI High-Tech Agriculture Limited Company and the Manager of Daklaoruco are responsible for implementing the contents of this Resolution.

This Resolution has been approved by the members of the Board of Directors of Dak Lak Rubber Investment Joint Stock Company and is valid and effective from the date of its signing for promulgation.