**DRG: Board Resolution**

On January 04, 2024, DakLak Rubber Joint Stock Company announced Resolution No. 01/NQ-HDQT as follows:

Article 1: On the policy of purchasing and selling goods in 2024

1. Selling formula of finished rubber products:
2. Method of price calculation for long-term export contract (6 months and over)

* Basis of calculating the settlement price is announced by the SGX (Singapore Exchange) in USD. The USD – VND conversion rate is according to the purchase exchange rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam announced on the last day of calculating the contract price
* Time of price calculation: average price of the month for price calculation before the month of delivery;
* Pricing formula (price for FOB Ho Chi Minh City, goods with pallets):

|  |  |
| --- | --- |
| Goods type | SGX (maximum deduction rate) |
| SVR10 | Equal to the price of TSR20 |

* In case of signing a long-term domestic contract for delivery at Dakruco warehouse for bulk goods without pallets, a discount of USD 50/ton will be applied. In which: Pallet expenses: USD 25/ton; Delivery expenses: USD 20/ton; Export procedure expenses: USD 5/ton

1. Method of price calculation for contracts at specific periods

* Basis of calculating price: Noon selling price in USD announced by MRB (Malaysia rubber board)
* Time of price calculation: The average price of 5 days before the day of proposing the offered price;
* Offering time: From 03 to 06 days depending on market fluctuations;
* Export pricing formula for specific periods:

|  |  |
| --- | --- |
| Good types | MRB (maximum deduction price) |
| SVR3L | (SMRL+SMR5)/2 - 15% (\*) |
| Or: SVR10 + at least USD 60/ ton (\*\*) |
| SVRCV60 | SVR3L + at least USD 40/ ton |
| SVR5 | SMR5 - Up to 7% |
| SVR10 | SMR10 - Up to 7% |
| SVR20 | SMR20 - Up to 7% |

For the formula for calculating SVR3L, if the SMRL price of Malaysia’s market is not close to actual market price: In case the offering price is lower than the (\*) formula, the (\*\*) formula can be applied; in case the offering price is lower than both of the (\*) and (\*\*) formulas, the Executive Board has to consult the Board of Directors.

* Pricing formula for domestic contract at specific periods: the domestic selling price at specific periods = export selling price at specific periods multiplied by (x) Joint Stock Commercial Bank for Foreign Trade of Vietnam's purchase exchange rate minus (-) related export costs (According to the 2024 finance plan promulgated by the Company)

1. Selling price of fresh, green banana products

The General Manager decides the selling price of each period based on the market, and ensures the year’s average price as follows:

* Output: 1,982.5 tons, in which: Sell to the Japanese market: 642.3 tons, the FOB average price in Ho Chi Minh City: USD 10.8/crate (13kg/crate), the provisional conversion rate is VND 24,000/USD, equivalent to the early-batch price of VND 12,091/kg
* For the remaining products when offering, the Executive Board balances the output, quality and size of products suitable to each market in order to optimize the efficiency in the process of producing and packaging; Average later-batch price of fresh bananas: VND 8,894/kg;

1. On the MD2 pineapple:

Output: 600 tons, Based on the products’ quality and market’s price, the Executive Board will decide the selling price of each period. The Executive Board shall come up with a plan to develop the export market step by step.

1. On the plan of purchasing latex in 2024:

* Purchasing volume: 2,000 tons. Exercise the documents of importing latex according to Purchasing Process No. QT/KD02; direct purchase contract form No. BM/QT/KD02-13 and authorized latex purchasing form No. BM/QT/KD02-14
* Time of price calculation: 2-3 times/week or recorded for each batch of goods;
* Method of purchasing latex is as follows:
* Purchase according to daily price: Based on the fluctuation of latex purchase price in Dak Lak Province and neighboring provinces; Based on the selling price of products of the same price at that time, minus processing costs (according to the Company’s 2024 financial plan and the processing price shall at least cover fixed costs); the Company announces the price notice 1-3 times/week, depending on the market. In case of purchasing from small-scale farmers and material areas far from the factory, the outside purchase price of latex can be up to VND 500/kg higher compared to the notice on the price of purchasing latex from contract farmers and the Company’s loan farmers.
* Purchase according to the price fixing method: Purchase price is based on sold contracts or forecast of the increased market, the Executive Board settles the price once for the batches of goods imported during the month: The minimum latex quantity is 15 tons (converted to dried latex); implementation time: 30 days (can be longer due to rain, storms or diseases).

Article 2: On the contract of consulting for taking care of the durian plantation, and material and fertilizer purchase

1. Assign the Executive Board to sign the contract of consulting flower processing techniques, durian care and growing until the time of harvesting in 2024 with the joint venture between Thanh Dung business household and Tuan Hung Tay Nguyen Joint Stock Company. The contract has to show all the basic contents as follows:

* DakLak Rubber Joint Stock Company agrees to implement the technique process and use materials, fertilizers (the contract shows details of materials, fertilizers and pesticides specific for durian) according to the consultant, yet the consultant needs to ensure the quality and quantity of the plantation (with specific targets)
* The contract clearly shows that the party cooperating to implement is Cu Bao farm; the party of supervising is the Technical Department and related departments; the function, authority and duty of each party needs to be clear.

1. The purchase of materials and fertilizers shall basically be implemented according to Decision No. 06/QD-HDQT dated August 06, 2020 of the Board of Directors, promulgated with regulations on selecting procurement contractors in production and business activities and maintaining regular operations of the Company. However, due to the specifics of durian and according to the consultant contract, the Executive Board can implement as follows:

* Purchase materials, fertilizers based on the consultant, if these materials and fertilizers are not popular, the Executive Board can negotiate to buy directly. However, before negotiating, the Executive Board needs to refer to the market’s price of products of the same type, which are the same in components and origins... to negotiate with the consultant in order to ensure the lowest price, but still reach the highest efficiency.
* The Executive Board assigns Cu Bao farm to sign the contract of providing necessary materials and fertilizers, ensuring the quantity is sufficient for the care of the durian plantation in Q1/2024, while waiting for the signing of the consultant contract with partners.

Article 3: On the policy of purchasing goods/services before announcing the 2024 production, business and finance plan

Approve assigning the Executive Board to implement the purchase plan while waiting for the 2024 production, business and finance plan to be approved by the Annual General Meeting of Shareholders 2024. According to regulations, temporary calculate the quantity and the price based on the 2023 Plan approved by the General Meeting of Shareholders; the purchase shall be according to the Regulations promulgated with Decision No. 06/QD-HDQT dated August 06, 2020 of the Board of Directors.

Article 4: This Resolution takes effect from the date of its signing, Article 1 and Article 3 take effect from January 01, 2024. Members of the Board of Directors, the General Manager of DakLak Rubber Joint Stock Company are responsible for the implementation of this Resolution./.