VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY	SOCIALIST REPUBLIC OF VIETNAM
----------	**Independence – Freedom – Happiness**

No. 08/NQ-CTS. HĐQT/2026	*Ho Chi Minh City, 27th August, 2026*

RESOLUTION

V/v: Approve the Risk Management Framework on Capital Structure

THE BOARD OF DIRECTORS
VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

- *Based on the Poprosal No. 05/TT – CTS.TGĐ/2026 dated 22nd June, 2026 from the Management;*
- *Based on the Audit Committee's opinion dated 23rd June, 2026;*
- *Based on the Board of Directors Meeting Minutes No. 05/BB-CTS.HĐQT/2026 dated August 5, 2026.*

The Board of Directors of Vietnam Dairy Products Joint Stock Company (hereinafter referred to as "**Vinamilk**" or the "**Company**") has approved this Resolution with the following contents:

RESOLUTION

Article 1: The Board of Directors approved the Risk Management Framework on Capital Structure attached.

Article 2: Enforcement Terms

- This Resolution takes effect from the date of signing.
- The Board of Directors, Board's Committees, CEO, the Management, Corporate Secretary and relevant persons shall be responsible for implementing this Resolution.

Recipients:
- *BOD, BOM, Corporate Secretaries.*

FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS
CHAIRMAN

NGUYEN HANH PHUC

RISK MANAGEMENT FRAMEWORK ON CAPITAL STRUCTURE

(Issued by Vinamilk Board's Resolution No. 08/NQ-CTS.HĐQT/2026 dated 27th August, 2026)

1. Risk description

Risk name	Risk definition
Risk of suboptimal capital structure	Capital structure risk refers to the possibility that the Company maintains a capital structure (equity and liabilities) that is inconsistent with its management objectives, resulting in sub-optimal cost of capital (WACC), reduced financial flexibility, and limited capacity to raise funding for growth initiatives. This risk may arise in various forms such as i) misaligned financial leverage relative to cash flow generation capacity, ii) mismatch between debt maturity profiles and liquidity conditions, iii) dependence on refinancing under adverse market conditions, iv) increased cost of capital or deterioration in credit profile, ultimately, these factors may negatively impact strategy execution, financial sustainability, and enterprise value.

2. Risk appetite:

Vinamilk adopts a **"Prudent"** risk appetite, with the following principles:

- Zero tolerance for risk that could impair liquidity, lead to covenant breaches, or weaken credit rating;
- Proactive use of financial leverage to optimize the cost of capital (WACC) and enhance capital efficiency;
- Maintain sufficient financial flexibility to support growth and withstand market volatility.

Risk appetite by key dimensions as follows:

By aspect	Risk appetite
Leverage	The Company accepts the selective use of financial leverage to optimize the cost of capital, while maintaining target thresholds and sufficient safety headroom without compromising debt servicing capacity or credit profile.
Debt repayment sources	The Company prioritizes operating cash flow as the primary repayment source, ensuring the ability to meet debt obligations on a sustainable basis; avoid reliance on non-recurring sources such as asset disposals or refinancing, unless explicitly approved under capital financing strategy framework.
Refinancing	The Company avoids debt structures with concentrated short-term maturities used to fund long-term capital needs, which create excessive refinancing pressure in short term or reduce its ability to proactively secure long-term funding.

By aspect	Risk appetite
Financial covenants	The Company has no tolerance for foreseeable covenant breaches which could be identified in advance through forecasting, periodic monitoring, and stress testing. The Company maintains a mechanism for continuously monitoring the covenant headroom and proactively implements corrective measures to ensure full compliance with loan contractual obligations.
Interest rates/ currencies	The Company does not accept maintaining interest rate and foreign exchange risk levels arising from the debt structure beyond its control through approved hedging mechanisms, including natural hedge and/or the use of financial hedging instruments. The debt structure in terms of interest rates and currency is proactively managed to limit volatility in capital costs and maintain risk levels consistent with its approved risk appetite.
Liquidity	The Company maintains adequate committed liquidity to meet all funding requirements, including working capital, mandatory CAPEX, and debt obligations, under both base and stress scenarios. The Company does not accept liquidity shortages or reliance on emergency funding sources under adverse market conditions, while maintaining sufficient liquidity buffers.

3. Key risk indicators (KRIs) monitoring framework:

Monitoring framework is established to track compliance with approved risk appetite, provide early warning on leverage, liquidity, and debt repayment capacity risks, and support decision-making on capital structure, funding, and allocation. Three thresholds are defined:

- **Safe zone:** normal operations, leverage can be utilized to optimize WACC.
- **Monitoring zone:** heightened monitoring, restrict risk increase, and review capital plans.
- **Alert zone:** trigger mandatory corrective actions.

KRIs *(Annex attached: Formulas for calculating KRIs)*	**Safe**	**Monitoring**	**Alert**
i. Capital structure ratio = Net debt/ Equity *[(Total borrowings – Cash & cash equivalent)/ Equity]*	<0,8	0,8 – 1,2	>1,2
ii. Net debt /EBITDA ratio *[(Total borrowings – Cash & cash equivalent)/ EBITDA]*	<1	1 – 2	>2
iii. Interest coverage ratio = *EBITDA/ Interest expense*	>5	3 – 5	<3

iv.	**Liquidity coverage** *[(Cash + undrawn facilities) / debts maturing within 12 months]*	≥2	1,2 – 2	<1,2
v.	**Current ratio** *(Current assets/ Current liabilities)*	≥1,5	1,2 – 1,5	<1,2
vi.	**Covenant headroom** = (Covenant threshold – Actual value) / Covenant threshold *(Applied to key limit indicators, weighted according to debt ratio)*	≥ 25%	10% – <25%	<10%
vii.	**Operating cash flow/Debt ratio** *= Operating cashflow/ Total borrowings*	≥ 30%	15% – <30%	<15%
viii.	**Capital structure efficiency (ROIC vs WACC)** *= ROIC – WACC*	≥ 5%	2% – <5%	<2%
ix.	**Floating rate debt ratio** *= Floating rate debts/Total borrowings*	≤ 50%	50% – 70%	>70%

4. Roles, responsibilities, and control mechanisms

Responsible persons	Roles & responsibilities	Key controls	Controlling objectives
Strategy Committee/ Audit Commmittee? The Board	The Strategic Committee reviews if the Company's capital structure is compatible with its strategic objectives, and the Audit Committee ("Audit Committee") reviews the risk appetite and risk management framework of the capital structure for submission to the Board for approval.	Approve the capital structure framework; review KRIs, loan commitments, and approve loan transactions within the scope of authority.	Ensure the capital structure aligns with the strategy, risk appetite, and protects the company's value.
CEO	Balancing growth and financial safety; guiding the use of capital, CAPEX, and M&A.	Approve medium-term and annual capital plans; monitor their implementation.	Ensure the capital structure supports strategy implementation.
CFO (Risk Owner)	Owners of capital structure risk; leverage management, liquidity, cost of capital, refinancing.	Capital planning; monitoring KRIs, managing loan commitments, stress testing, establishing risk mitigation activities, managing capital mobilization reserves.	Control risk within limits and optimize WACC.

Responsible persons	Roles & responsibilities	Key controls	Controlling objectives
Finance/ Financial Management	Cash flow forecast, EBITDA, capital requirements; stress analysis.	Cash flow forecasting; supports stress testing.	Ensure that input data is accurate and timely.
System, Risk Management & Legal	Independent monitoring, risk management framework/ERM design.	Review KRIs, check tolerance, and monitor palatable compliance.	Ensure independence and consistency in risk management.
Investor Relations/Financial Management	Monitor market assessments and expectations; support capital strategies.	Monitor and calculate the Company's WACC.	Maintain access to capital and credit rating.
Internal Audit	Independent assessment of the effectiveness of loan commitment management, approval controls, risk hedging activities using derivative financial instruments, and data quality of KRIs.	Checking compliance with regulations; reviewing loan commitments and risk mitigation activities; examining KRI data.	Ensure the operational control system is effective.

5. Assessment and Reporting Cycle:

Description	Frequency	Key responsibilities	Results/ Objectives
Update KRIs (leverage, liquidity, loan commitment, cost of capital) including stress test assessment.	Semi-annually	Finance / Financial Management → CFO	Monitoring compliance with risk appetite, early warning systems, and resilience.
Cash flow and capital requirements forecast	Monthly	Finance / Financial Management → CFO	Update on funding availability and capital plan.
Reviewing capital structure objectives and risk appetite.	Annually	CFO → CEO → the Board	Ensuring alignment with the long-term strategy.
Report on KRIs & capital structure	Quarterly	CFO → System, Risk Management & Legal → Audit Committee → the Board	The Board's oversight and decision-making.
Key events (project investment appraisal including OPEX & CAPEX, M&A, market fluctuations)	Ad-hoc/ By requested	CFO → CEO/the Board	Timely reporting and activating action.

ANNEX: FORMULAS FOR CALCULATING KRIs

(Use Vinamilk's separate financial statements)

KRI # 1 Net debt/ Equity

$$= \frac{\text{Total debts} - \text{Cash \& cash equivalent} - \text{Short term deposits})}{\text{Equity}}$$

KRI # 2 Net debt /EBITDA

$$= \frac{[(\text{Net debts at the beginning period} + \text{Net debts at the ending period}) \div 2]}{\text{EBITDA (rolling full year)}}$$

KRI # 3 Interest coverage ratio

$$= \frac{(\text{Profit before tax} + \text{Interest expense})}{\text{Interest expense}}$$

KRI # 4 Liquidity coverage *[(Cash + undrawn facilities) / debts maturing within 12 months]*

$$= \frac{(\text{Cash \& cash equivalent} + \text{Term deposits maturing within 12 months} + \text{Undrawn facilities})}{\text{Debts maturing within 12 months}}$$

KRI # 5 Current ratio

$$= \frac{\text{Current assets}}{\text{Current liabilities}}$$

KRI # 6 Covenant headroom: *Calculation will be based on each actual loan agreements.*

KRI # 7 Operating cash flow/Debt ratio

$$= \frac{\text{Operating cash flow (rolling full year)}}{\text{Total borrowings}}$$

KRI # 8 Capital structure efficiency

$$= \text{ROIC} - \text{WACC}$$

In which:

$$\text{ROIC} = \frac{(\text{Profit before tax} + \text{Interest expense}) \text{ rolling full year} * (1 - \% \text{ CIT})}{\text{Average (Equity} + \text{Total borrowings)}}$$

KRI # 9 Floating rate debt ratio

$$= \frac{\text{Total floating rate debts}}{\text{Total borrowings}}$$

Notes:

- *EBITDA = Profit before tax + Interest expense + Depreciation & amortization.*
- *"rolling full year" = YTD actual + Budget of remaining months of the year.*
- *Other figures: Reporting period figures, otherwise noted.*