

BOARD OF DIRECTORS' REPORT

Dear Shareholders!

In 2021, the Company continues to focus on increasing expansion while adhering to sustainable development principles.

1. Activities of the Board of Directors:

- In 2021, the Board of Directors has held regular meetings to evaluate business results, provide orientations, direct operations, and discuss a variety of themes and topics in order to support management activity as well as approve the Board of Managements' suggestions. In addition, the Board of Directors made decisions on a variety of other Proposals through the form of collecting opinions in writing. The list of Board of Directors' Resolutions for 2021 is included in Minh Phu Seafood Corporation's Corporate Governance Report 2021.
- The members of the Board of Directors have carried out their responsibilities and functions in accordance with the Company's Charter, assuring Minh Phu's overall efficiency. In each period, the Board Members concentrated on discussing and evaluating the situation, operation outcomes and contributing to Minh Phu's development strategy and business plan.

No	Board Members	Position	Date of appointment/resignation	Number of meetings attended by the Member	Meeting attendance rate
1	Mrs. Chu Thị Bình	Chairwoman		04	100%
2	Mr. Lê Văn Quang	Board member		04	100%
3	Mr. Lê Văn Điệp	Board member		04	100%
4	Mr. Bùi Anh Dũng	Board member		04	100%
5	Mr. Nguyễn Nhân Nghĩa	Board member		04	100%
6	Mr. Phan Thanh Lộc	Board member		04	100%
7	Mrs. Hồ Thu Lê	Board member		04	100%
8	Mr. Nagoya Yutaka	Board member		04	100%
9	Mr. Tsukahara Keiichi	Board member	Appointment on 17/06/2021	02	50%
10	Mr. Osada Tsutomu	Board member	Resignation on 17/06/2021	02	50%

2. Remuneration for the Board of Director, the Supervisory Board in 2021.

The payment of remuneration to the Board of Directors and the Supervisory Board is made in accordance with the following resolution approved by the Annual General Meeting of Shareholders in 2021:

- Remuneration for Board members who do not serve concurrently as Corporate Officers: VND 25,000,000/person/month (*twenty-five million Vietnam Dong*). Remuneration for Board Members who serve concurrently as Corporate Officers: VND 12,500,000/person/month (*twelve million five hundred thousand Vietnam Dong*).
- Remuneration for Supervisory members who do not serve concurrently as Corporate Officers: VND 20,000,000/ person/month; (*twenty million Vietnam Dong*). Remuneration for Supervisory members who serve concurrently as Corporate Officers: VND 4,000,000 person/month (*four million Vietnam Dong*).

Total remuneration, bonuses and benefits paid to the Board of Directors and the Supervisory Board in 2021: **2.641.115.385** dong (*two billion, six hundred and forty-one million, one hundred fifteen thousand, three hundred eighty-five Vietnam dong*).

No.	Content	Amount
1	Board of Directors	2,497,115,385 (Vietnam Dong)
2	Supervisory Board	144,000,000 (Vietnam Dong)
	Total	2,637,750,000 (Vietnam Dong)

3. Evaluation of the Board of Directors on the activities of the Board of Management

The Board of Directors' supervisory activities toward the Board of Management are carried out in accordance with the Charter and internal corporate governance standards. In general, the Board of Directors understands the Board of Directors' strategy and works diligently to carry out the plan.

Overall evaluation of the Board of Directors' performance in the Group's production and business activities:

- The Board of Management acknowledges the Board of Directors' orientation and direction promptly and organizes effective implementation throughout the Group.
- The Board of Management has defined and implemented particular responsibilities in the Company based on the operation orientation of the Board of Directors with major strategic goals and assigning business targets to the member companies, directed each unit/ block/ department/ department to implement.
- At each BOD' Meeting, the General Director fully reports on the company's production and business situation, outstanding activities, growth promotion policy, business plan and reports on business activities as well as reports on topics at the Board of Directors' request.
- The Board of Management has carried out production and business activities in accordance with the General Meeting of Shareholders' resolutions, the Board of Directors' direction in compliance with the Company's Charter and the provisions of the law.

4. Evaluation of the Board of Directors on all aspects of the Company's activities in 2021

In 2021, the Vietnamese economy in general and the seafood market in particular have been heavily affected by the Covid-19 epidemic. In addition, Minh Phu also faces competition from other countries, especially India, Ecuador, Indonesia as well as trade impediments from importing countries.

These factors have caused the company's export output to drop, disrupting the global shrimp supply chain, affecting export markets and having a significant impact on Minh Phu's business plan.

However, with a strict, clear and strict risk management policy along with a flexible business strategy, Minh Phu has accelerated the growth of profit targets over the same period:

- Export turnover reached 648.74 million USD, up 9.9% compared to 2020;
- Production output reached 59,968 tons, up 1.8% compared to 2020;
- Profit before tax reached VND 775.36 billion, up 1.7% compared to 2020.

5. Orientation of the Board of Directors in 2022

In 2022, The Board of Directors continues to direct the implementation of the 5-year plan for the period 2021-2025, Minh Phu, with a vision of extending the shrimp value chain towards a circular economy, a green economy on a digital platform, intends to keep Minh Phu as the leading seafood export company in Vietnam and the globe, retaining existing export markets while constantly expanding new markets; especially in developing the Minh Phu brand into a powerful brand.

In order to reach that goal, it would have to complete a closed value chain from breeding stock to exporting and distributing in markets. Minh Phu will implement huge projects to build concentrated farming areas with adequate infrastructure for water supply and drainage, as well as technical services to cultivate wild shrimp, extensive shrimp, high-tech super-intensive shrimp, and rice shrimp in the form of a cooperative association. In which, there is a shrimp processing complex and associated industries located near the raw material area to improve the quality of raw shrimp while lowering the cost of salting, shipping, and post-harvest losses. All components of the chain, such as breed research and development, farming, processing, by-product treatment, and trading, are all part of the production model, which is specific and highly specialized. In particular, to establish a balance between supply and demand, each link's capacity will be synchronized.

Simultaneously, Minh Phu has been cooperating with the Ministry of Agriculture and Rural Development's Science and Technology Department, as well as the Research Institute For Aquaculture, to focus on domesticating disease-resistant, adaptive and high productivity black tiger shrimp in order to increase the market share of black tiger shrimp from 20% to 50% or higher.

Minh Phu suggested a strategy for mastering clean and sustainable raw materials while increasing processing productivity and lowering cost of goods sold through **a green, clean, organic, carbon recirculating & balanced, smart shrimp value chain**. This shrimp value chain will be deployed under 5 main models as follows:

1. Over 60% of the success of shrimp farming is determined by the seeds. Minh Phu proposes to build a production area for Black tiger and Vannamei shrimp broodstock with adaptive, disease resistant, fast growing; combine the production of broodstock and algae as food for shrimp in Ninh Thuan province.
2. Industrial shrimp farming complex with a high-tech, recirculating system: combine AI technology and Blockchain platform to create a smart mobile application (Mobile app) to manage shrimp aquaculture;
3. The tiger shrimp farming complex is recirculating and suitable for the environment's capabilities.;
4. The mangrove forest complex for rearing Black Tiger Shrimp is organic, recirculating, and adequate for the environment's capability.;

5. The organic Black Tiger Shrimp - Rice farming complex (2 crops of black tiger shrimp + 1 rice crop with crayfish) circulates and matches the capacity of the environment that create high quality organic black tiger shrimp and organic crayfish products rotate with organic rice.

In that strategic vision, Minh Phu has gradually developed and applied technology to farming areas and processing factories. Thereby, the entire value chain will benefit from increased economic efficiency and lower production costs, at the same time, building trust to mobilize strong investment capital for high-tech shrimp farming.

**On behalf of the Board of Board Director
General Director – Mr. Le Van Quang**