



CORPORATE GOVERNANCE AWARD

CORPORATE GOVERNANCE SCORECARD FOR YEAR 2020

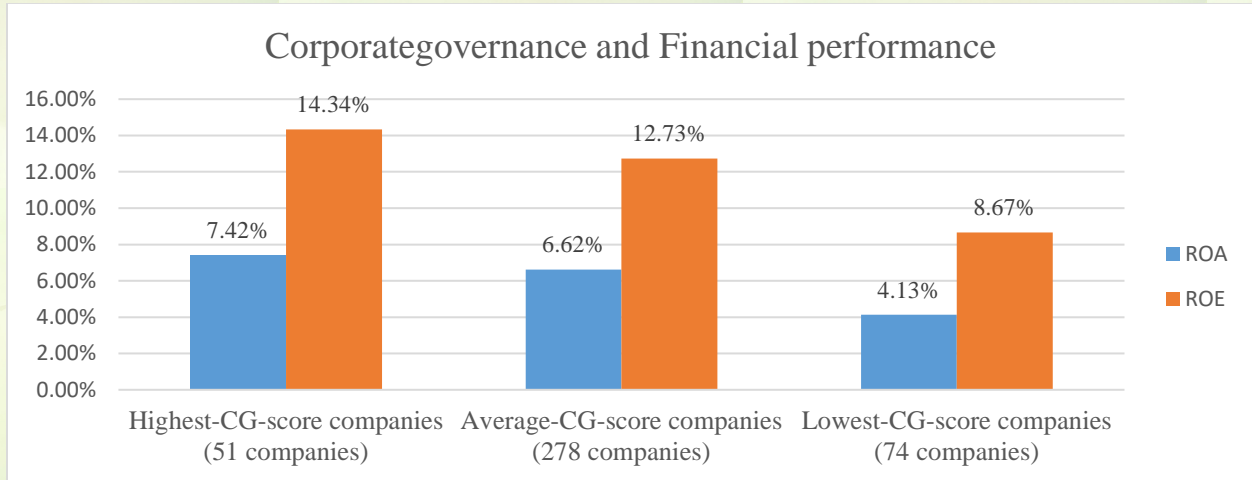
Crucial corporate governance criteria

- On-time dividend payment
- Timely organizing the annual general meeting
- Timely disclosure of all annual general meeting's resolution documents. Application of modern information technologies is evidenced so that shareholders can vote effectively, or vote electronically, or vote online.
- Disclosure of annual general meeting's minutes with important details including questions by shareholders and the correspondent answers
- Corporate practices to encourage shareholders to engage with the company beyond annual general meeting
- Disclosure of sustainability reports should not only in forms but also in substance with informative details of policies and practices.
- Roles and responsibilities of board of directors should be disclosed in details in corporate governance reports and annual report on such aspects as: roles and responsibilities in planning, monitoring strategies, risk management, accounting information system, compliance, disclosure and transparency. Disclosure on these aspects not only is about policies and processes but also about the actual practices being implemented in the year.
- Disclosure of Corporate Codes of Conduct
- Disclosure of Corporate Whistle Blowing Policy
- Structure and composition of board of directors must ensure diversity and independence.
- Key subcommittees of the board of directors are established such as Audit committee, Nomination committee, Remuneration committee with independent directors chairing the committees.
- Internal audit being set up
- Corporate Secretary responsible for corporate governance being nominated and trained
- Enhancing qualification of board of directors in corporate governance through continuous training and updates
- Highest commitment and self-assessment of the corporate leaders in corporate governance by applying the Code of Corporate Governance of Vietnam

BENEFITS OF GOOD CORPORATE GOVERNANCE

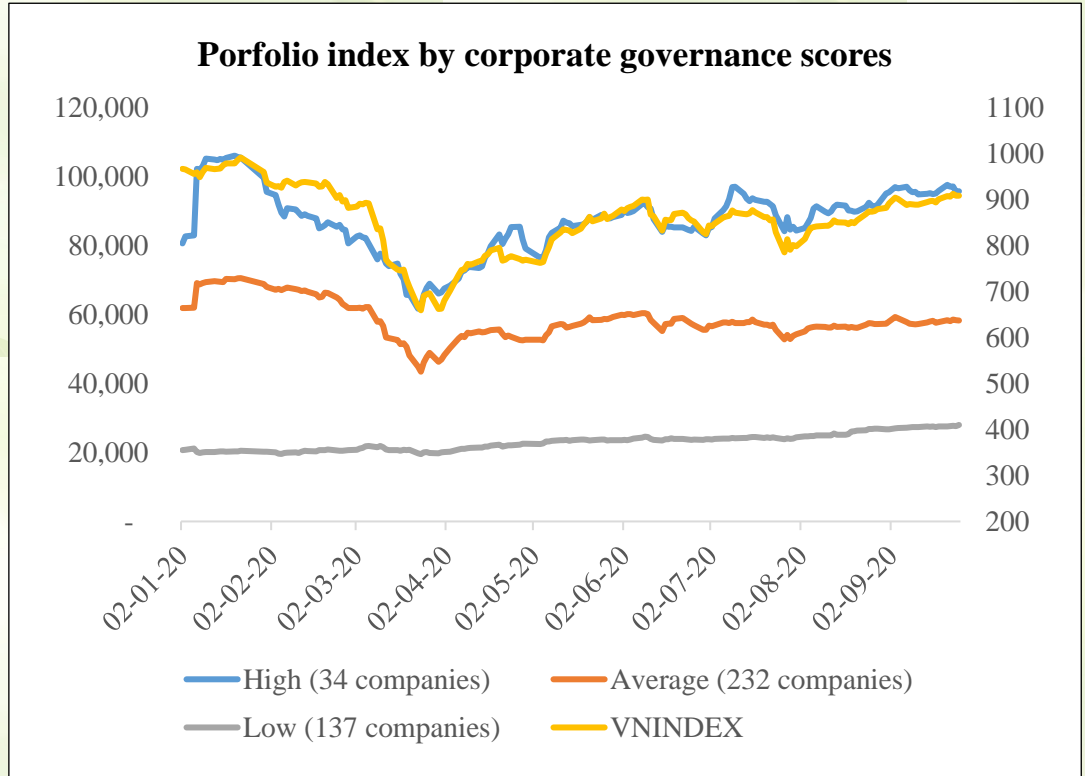
Good corporate governance and financial performance

Analysis shows that the group of companies with highest corporate governance scores has highest financial performance with ROA of 7.4% and ROE of 14.3%. The result shows a strong correlation between quality of corporate governance and corporate financial performance.

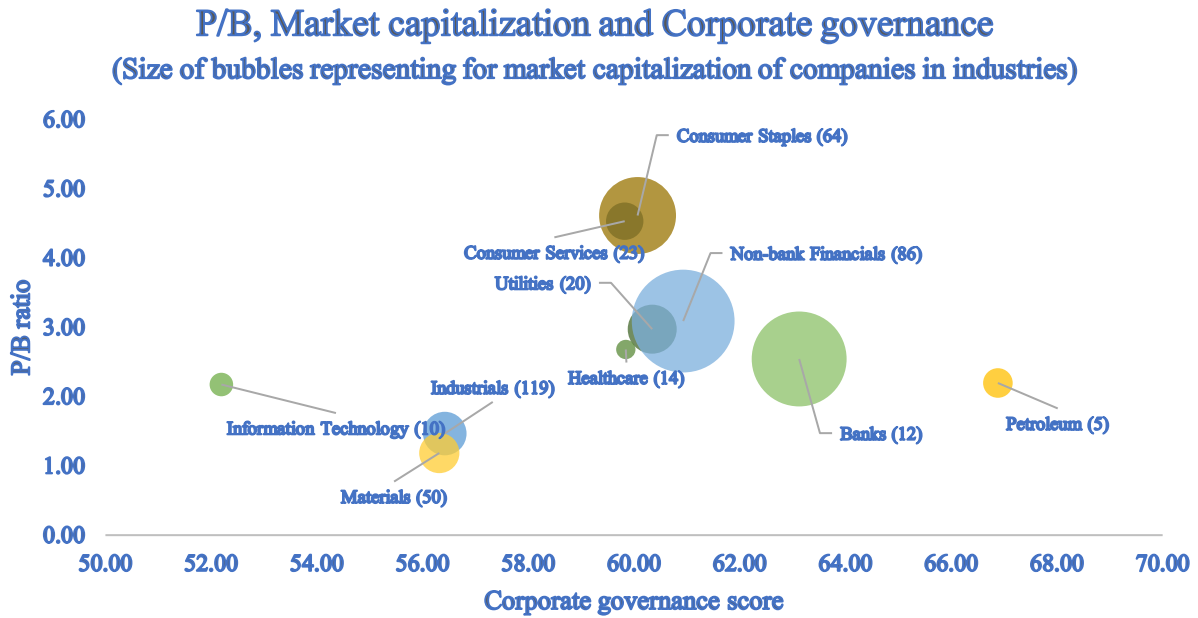


While stock markets around the world have been negatively impacted by the covid pandemic in Q1 of 2020, the Vietnam stock market also suffers. However, the group of 34 companies with the highest corporate governance scores endures the pandemic with lower measures and recovers faster than the other groups. The group of the highest corporate governance scores also has the highest price level, which is about vnd 40,000 per share above the average prices of the group of stocks with average CG scores, and about vnd 60,000 per share above the group of stocks with the lowest CG scores. It is believed that CG could be a reliable criterion for the quality of a portfolio.

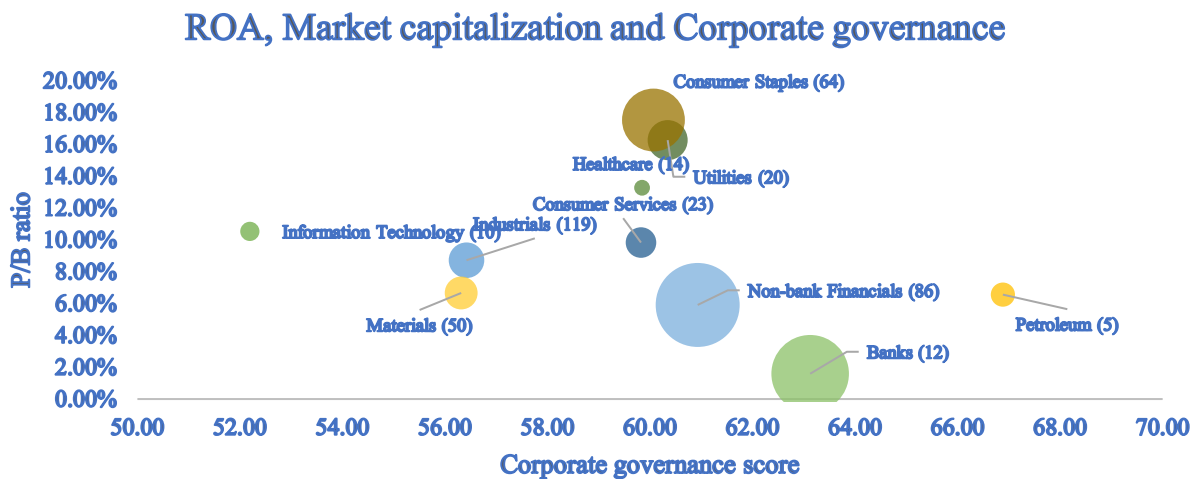
Good corporate governance and stock prices



GOOD CORPORATE GOVERNANCE AND INVESTMENT PERFORMANCE IN INDUSTRIES



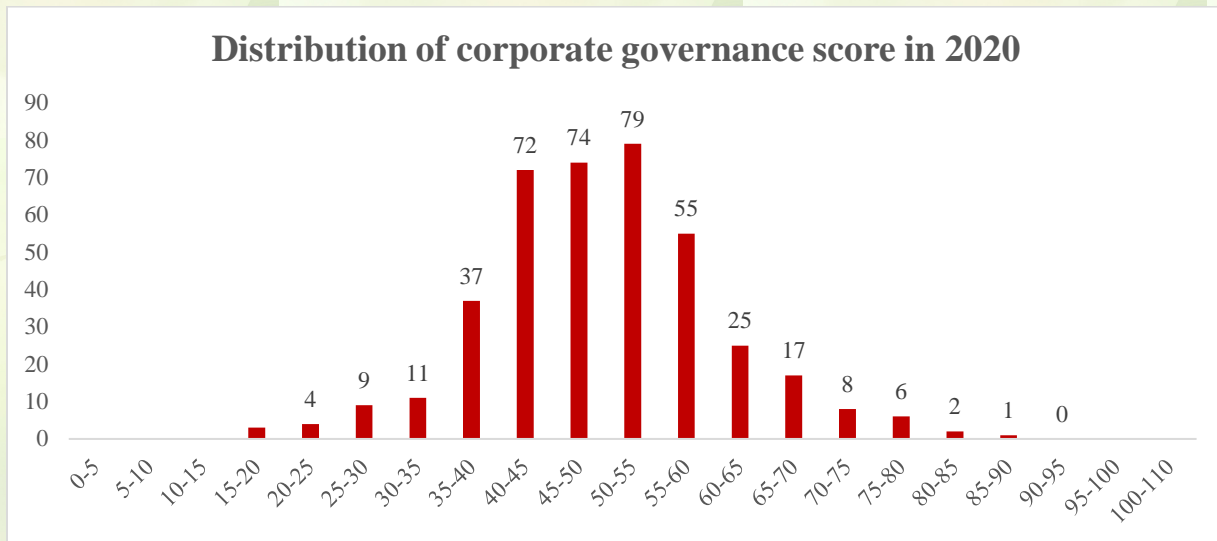
Industries with potential growth and good governance are attractive to investors. The analysis result of 2020 shows that Consumer Staples, Consumer Services, Finance, Banks, and Healthcare are attractive industries with good market capitalization and price and good corporate governance.



Stocks with good financial performance and good governance are highly attractive to investors. The results of 2020 show that companies in Consumer staples, Utilities, Healthcare, Consumer services, Industrials are outstanding with high financial performance, market capitalization and good governance.

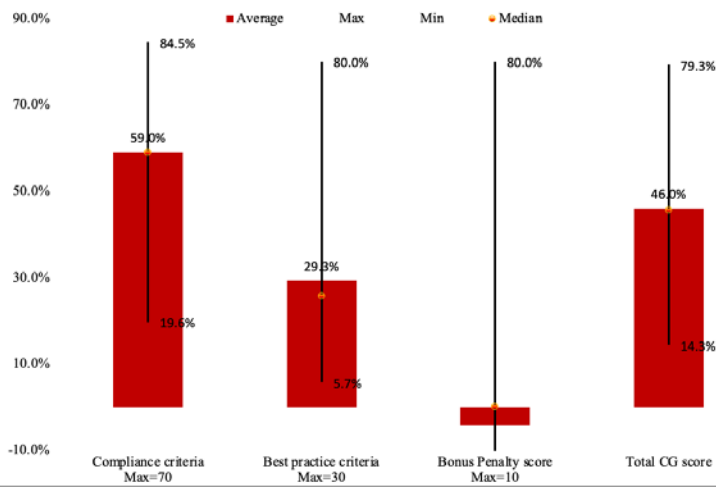
CORPORATE GOVERNANCE PERFORMANCE OF LISTED COMPANIES IN VIETNAM

Corporate governance score shows the overall picture of compliance and practice of corporate governance codes of Vietnam (Vietnam Corporate Governance Scorecard) in 2020.



Most of the assessed companies achieve scores in 40-60 point range in the [0-110] score scale. There are 280 companies, representing 70% of total assessment sample, achieving scores from 40 to 60 points. There are 59 companies, representing 15% of total sample, achieving scores above 60 points. The VCGS of 2020 with corporate governance criteria being stringently strengthened above those from the two previous years is a challenge for Vietnamese companies. However, this is a positive backward step for firms to self-prepare for a stronger move forward in corporate governance in the coming years.

Overall corporate governance performance in 2020



The average corporate governance score of the whole assessed sample in 2020 is 50.1 points, or 46% of the maximum achievable score. The assessed companies achieve an average score of 59% in the compliance criteria, and an average score of 29.3% in the best practice criteria.