

BREAKTHROUGH BOARDS:

BEYOND GOVERNANCE, POSITIONING TRUST AND
ELEVATING REPUTATION IN THE CAPITAL MARKET



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FOREWORD

The year 2025 is drawing to a close with a number of important foundations laid and promising opportunities emerging for 2026. Two major highlights include the issuance of Resolution 68-NQ/TW on private sector development, and FTSE Russell's announcement that Vietnam's stock market has met the conditions to enter the "race" toward an upgrade to Secondary Emerging Market status, effective on 21 September 2026.

Vietnam's stock market is now at its most attractive point in 25 years of formation and development, with the potential to draw substantial capital from major international investment funds. According to the World Bank's Vietnam Briefing Report, new inflows could reach USD 3–5 billion in the short term after the upgrade, and up to USD 25 billion by 2030 when both FTSE Russell and MSCI reclassifications materialize. In this context, **transparency and the quality of corporate governance** have become the top criteria for responsible investors when allocating capital to emerging markets such as Vietnam.

The transformation of Vietnam's capital market—accelerating toward market upgrading, deeper integration, and higher-quality international capital inflows—places significant demands on the strategic thinking of Vietnamese enterprises. This raises a crucial question: **Where should Vietnamese businesses begin, and why is this shift so important?**

VIOD believes the answer must begin with listed companies, and more specifically, with the **Board of Directors** adopting a "breakthrough mindset." Breakthrough does not simply mean doing more—it means elevating governance from traditional compliance to **proactive compliance**, moving toward effective governance aligned with international principles and best practices. Good governance begins with the effectiveness of the Board—an accountable board that provides strong oversight and manages risks effectively. This creates a profound positive effect on building **Investor Trust** and **Market Reputation**. These two intangible assets increasingly complement traditional valuation metrics such as EBITDA. Trust enables firms to enjoy lower cost of capital, higher and more stable valuation multiples—even when EBITDA has not yet grown significantly.

You are holding **Bulletin No.12**, featuring insights and analyses by leading experts in ESG and corporate governance, with references drawn from Deloitte, PwC, Bloomberg, and Glass Lewis. Core themes include: global perspectives on building trust through transparency and reputation stewardship; the impact of Vietnam's market upgrade and the rise of ESG capital flows; the heightened expectations of institutional investors; and the professionalisation journey of family-owned businesses. Together, these discussions converge on one central message: **the Boards plays the decisive role in shaping and safeguarding the enterprise's intangible assets—market trust, brand reputation, and the ability to attract long-term capital**. These insights are intended to inform and strengthen Board strategies and action plans for 2026.

VIOD sincerely thanks the International Finance Corporation (IFC) and the Swiss State Secretariat for Economic Affairs (SECO) for their continued support; the members of VIOD's Corporate Membership Program (CMP) and Individual Membership Program (IMP); and all our partners. Together, we continue to foster a professional, transparent, and trustworthy corporate governance ecosystem, contributing to elevating the position of Vietnamese enterprises on the regional and global capital market map.

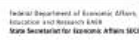
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THE FIRST CHOICE FOR CORPORATE GOVERNANCE AND EFFECTIVE BOARDS

The Vietnam Institute of Directors (VIOD) is a professional, independent, and pioneering organization that promotes the implementation of best practices and standards in corporate governance and sustainable development for Vietnamese enterprises.

VIOD's activities aim to enhance the professionalism of boards of directors, promote transparency and efficiency, bring together and connect board members, and build a network of directors and business leaders across economic sectors. By integrating corporate governance with sustainable development, VIOD contributes to creating an ecosystem for corporate governance and sustainable growth in Vietnam's stock and financial markets.

VISION



- ▶ VIOD is the first choice for forward-thinking boards of directors and leaders to build a strong, transparent, and effective business community.




MISSION



- ▶ Promote professionalism, expertise, and status of board members in Vietnam.
- ▶ Enhance corporate governance capabilities for businesses.
- ▶ Help improve investor confidence in Vietnam's private sector and capital market.

COMMITTED VALUES



-  Compliance
-  Transparency
-  Integrity

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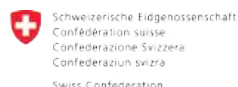
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CORPORATE MEMBERSHIP PROGRAM (CMP)



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VIOD AND A DECADE OF ADVANCING VIETNAM'S CORPORATE GOVERNANCE ECOSYSTEM

Ten years ago, the Vietnam Corporate Governance Initiative (VCGI) was launched under the sponsorship of the Swiss State Secretariat for Economic Affairs (SECO) and the International Finance Corporation (IFC). Two years later, VCGI laid the groundwork for the establishment of the Vietnam Institute of Directors (VIOD) — created with the endorsement of the State Securities Commission (SSC) and the continued collaboration of SECO and IFC. The birth of VIOD as an independent, professional, and pioneering corporate governance institution marked a defining milestone, completing Vietnam's corporate governance ecosystem and aligning it with practices seen in more advanced capital markets.

Since its inception, VIOD has consistently delivered high-quality educational programs, forums, and workshops that strengthen governance capacity across Vietnam's business community. VIOD is also honored to serve as the technical assessor for both national and regional corporate governance initiatives. In 2025, VIOD enters its third consecutive year supporting the Vietnam Listed Company Awards (VLCA), organized by the Ho Chi Minh City Stock Exchange (HOSE). As Vietnam progresses toward market upgrading, investors' expectations for transparency and effective governance have risen sharply. By participating in the evaluation of the Annual Report and Corporate Governance Awards, VIOD contributes an independent, comprehensive assessment of listed companies' governance practices — examining both compliance with regulatory requirements and readiness to adopt international best practices.



VIOD participated in the 2025 VLCA final judging round | October 31, 2025 in Ho Chi Minh City

Aligned with its strategic mission to elevate governance quality, VIOD has also been authorized by the SSC to participate as Vietnam's domestic assessor in the ASEAN Corporate Governance Scorecard (ACGS) for the last three assessment cycles. ACGS — an initiative of the ASEAN Capital Markets Forum (ACMF) with technical support from the Asian Development Bank (ADB) — evaluates governance standards in six ASEAN markets: Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. Its criteria are closely aligned with the 2023 G20/OECD Principles of Corporate Governance, the International Corporate Governance Network (ICGN), and leading global governance frameworks.

Through ACGS, VIOD has helped regulators, exchanges, and listed companies gain a holistic perspective on Vietnam's governance landscape relative to regional peers, while recommending appropriate policy reforms. The 2024 ACGS results, in which no Vietnamese listed company was recognized as an "ASEAN Asset" company among the top 250 in the region, underscore an important reality: although Vietnam's legal framework has improved significantly, gaps remain between regulation and actual implementation.

This highlights the need for enhanced clarity, stronger enforcement, and, critically, a shift in enterprise mindset. A complete legal framework is necessary — but not sufficient. What ultimately builds investor trust and market reputation is consistent, effective, and measurable implementation that goes beyond a compliance mindset.

To support companies committed to enhancing governance quality and preparing for upcoming ACGS cycles, VIOD launched an advanced coaching initiative in 2025: "DCP Advance – ACGS Oriented: From Scorecard to Impact." As part of the Director Certification Program (DCP), the updated and in-depth ACGS modules in DCP Advance provide a structured coaching framework that enables companies to self-assess their current governance practices against ACGS criteria, benchmark them against good practices adopted by highly rated ASEAN listed companies, and identify targeted improvements to develop feasible action plans ahead of the 2026 ACGS assessment.

As Vietnam celebrates 25 years of stock market development — and officially transitions into a Secondary Emerging Market — the need for strong, credible governance has never been more pressing. This year, VIOD is proud to introduce, for the first time in Vietnam, the **"ACGS20 – ASEAN Aspiration" initiative**, officially announced at the 8th Annual Forum (AF8). ACGS20 brings together a cohort of companies committed to and pioneering the path toward achieving the "ASEAN Asset" recognition. For the 2026–2028 assessment cycles, the initiative aims to elevate Vietnam's average ACGS score above the regional mean and enable at least two to three Vietnamese listed companies to become ASEAN Assets.

VIOD is confident that with shared commitment from regulators and the business community — grounded in transparency, effectiveness, and professionalism — Vietnam can achieve this ambition and strengthen its position as a credible, competitive, and investor-trusted market within ASEAN and beyond.

ACGS20 – ASEAN ASPIRATION

A cohort of companies committed to and pioneering the path toward achieving the “ASEAN Asset” recognition under the ASEAN Corporate Governance Scorecard (ACGS)

ACB

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VINARE

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DAI DUNG



SECTION 1

TRUST AND REPUTATION IN THE CAPITAL MARKET – GLOBAL PERSPECTIVES



1.1 BOARD OVERSIGHT OF THE TRUST FACTOR: TRANSPARENCY AS A STRATEGIC ADVANTAGE



Using Transparency to Build Trust

Trust is earned by saying what we will do, sharing why, and delivering what we said we would—transparently. When things don't work as expected (and every so often, they won't), we explain and try again. This is certainly true for building trust with the stakeholders of a corporation. However, the information asymmetry that exists between management, the board, and shareholders is unlike any other in business. And often competitive, legal, confidentiality, and other concerns mean that the board cannot be as transparent as it would like. This makes establishing trust between the board and its key stakeholders a challenge.

The challenge is not insurmountable. At its core, corporate governance is putting in place the structures that will allow for effective decision making so that stakeholders can trust the oversight process even if they can't observe it. For many years, the prescribed disclosures regarding a company's practices and procedures were sufficient to establish trust. However, that trust appears to be eroding at a time when the board's mandate is expanding, and the quality of board oversight is receiving additional attention.

Recognizing this development, boards should lean into opportunities to provide more windows into the boardroom for all stakeholders, such as:

- Leveraging the proxy statement, the company's website, and other forums to create more transparency with employees, customers, regulators, and of course shareholders.
- Engaging with stakeholders, when appropriate, to gain direct feedback to inform their decision making.
- Finding opportunities, like the annual board assessment, to share the impact of governance processes to demonstrate that they work and are not static.

Why Trust Is Important

By enhancing trust, corporations and their boards create positive stakeholder dynamics that enhance enterprise value. On the other side, however, if the company and board lose stakeholder trust, they risk losing employees, customers, and the benefit of the doubt of other critical stakeholders, like regulators.

However, there is a trust deficit in American society. Americans have lost a large measure of trust in institutions they once greatly respected—non-governmental institutions, media, government, and corporations to some extent. Yet corporations remain more trusted than most other institutions. This relative trust creates an opportunity for companies to reinforce and enhance trust and a responsibility, in the eyes of many, to take affirmative steps to do so.

What Can Investor Voting Tell Us about Trust in the Board?

Historically, directors did not need to worry much about retaining their board seats. Once recruited to a board, long-tenured and unchallenged service was the norm. That is no longer the case. Investor votes “For” or “Against” directors are now a key indicator of investor trust—and the data shows that trust has declined.

Notably, in the past five years (2017-2022):

- Overall support for director elections in the Russell 3000 has fallen.
- The percentage of directors receiving qualified support (below 95%) has increased from 22% to 30%.
- The percentage of director nominees failing to receive majority support (or more Against than for votes, a plurality) has increased slightly.

The decline in support can be attributed in part to a combination of investor voting guidelines that have more reasons to withhold support from directors and an increase in the frequency of “vote no” campaigns. Together, these factors point to the emergence of a “trust but verify” mentality among investors. Common reasons for voting against directors include lack of board diversity, oversight failures, poor climate risk management disclosure, failed engagement activities, executive compensation issues, and overboarding.

The SEC’s new universal proxy rules further amplify this trend. Activist nominees now appear on the same ballot as company nominees, making it easier and less costly for activists to challenge incumbent directors. Investors can select nominees individually rather than being forced to support an entire slate. This change lowers barriers for activists who have lost trust in the board and wish to propose alternatives.

Trust among Management, the Board, and Shareholders

PwC surveys indicate that the trust deficit extends beyond shareholders to management and even directors themselves. The board should consider these activities and oversight areas in its effort to enhance trust with both management and investors.

Board refreshment



64% of executives don't trust their boards to remove underperforming directors



58% of investors don't trust the boards of companies they invest in to remove underperforming directors

48% of directors would replace at least one member of their board; whether that board member is unwilling to challenge management or oversteps the director bounds, both were cited as reasons for wanting change.

Board effectiveness



60% of executives don't trust mor boards to effectively assess board performance



48% of investors don't trust the boards of companies they invest in to effectively assess board performance

Crisis response



48% of executives don't trust their boards to guide them through a crisis



24% of investors don't trust the boards of companies they invest in to guide the company through a crisis

Only 54% of executives say their boards understand the crisis response plan.

On a positive note, there are some areas where trust in the board is fairly high. This means management trusts the board to engage, but they don't think the board is doing enough to understand who they are engaging with.

Shareholder engagement



68% of executives trust their board's ability to effectively engage with shareholders



73% of investors trust the boards of companies they invest in to effectively engage with shareholders

Even though executives are supportive of engagement, almost half (48%) don't think their boards understand shareholder priorities.

Percentages above regarding trust represent the following survey responses:

Investors - Trust: Completely trust, mostly trust, and moderately trust; Don't trust: No trust at all and somewhat trust
Executives - Trust: Very much trust and somewhat trust, Don't trust: No trust at all and not very much trust

Directors believe they can enhance stakeholder trust through greater transparency and accountability, particularly toward shareholders. However, directors express less confidence in their ability to influence trust among other stakeholders.

This imbalance in focus—prioritizing investor trust over broader stakeholder trust—may cause boards to miss an important opportunity. Multi-stakeholder trust contributes meaningfully to long-term enterprise success. Building such trust requires engagement with employees, recruits, suppliers, vendors, customers, and communities that provide companies with their social license to operate.

71%

say that engaging directly with shareholders would enhance stakeholder trust. 60% report that their boards are already doing this.

70%

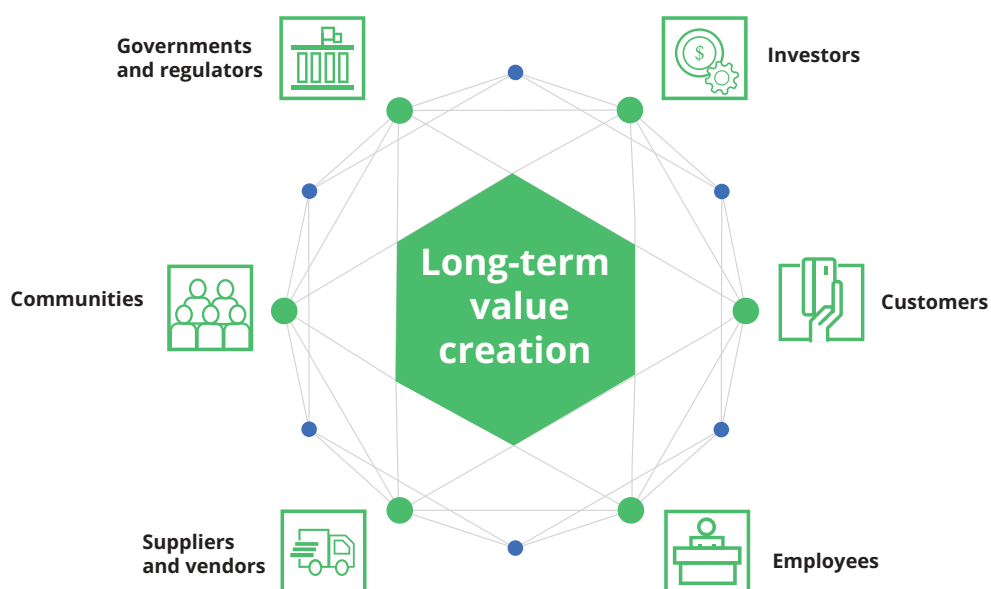
say that enhancing shareholder communications (e.g., disclosures or reporting) can have a positive impact on stakeholder trust.

Enhancing Trust Beyond Investors

Most companies and directors recognize the importance of investor trust. They maintain investor relations functions and conduct investor outreach as essential components of competing for capital. But companies are also competing for the hearts and minds of other stakeholders. Identifying key stakeholders, assessing these relationships, and investing in trust-building activities is likewise an investment in growth and long-term stability.

Boards must therefore be intentional. The first step is implementing a framework to identify, understand, prioritize, and address potentially competing stakeholder interests. According to PwC's *The Board's role: Building trust in a multi-stakeholder world*, key stakeholders include investors, customers, employees, suppliers/vendors, governments and regulators, and communities (including NGOs). Boards must understand who these stakeholders are, what makes them unique, and what information management is providing about them. This effort should not be underestimated.

Addressing stakeholders' interconnected interests builds trust and drives long-term value creation



Indeed, **57% of executives believe their boards do not understand the concerns of other key stakeholders**, indicating the need for substantial improvement in this area.

Direct interactions between directors and stakeholders—shareholders, employees, customers, and others—also provide opportunities to understand stakeholder aspirations and concerns. Engagement, when paired with active listening, produces the most meaningful insights.

Enhancing Trust with Varied Stakeholders

Prioritization is essential. Companies cannot be all things to all people. They must define their purpose and values and then decide where they will focus their efforts to align with their purpose and values. A key part of building a different and better relationship with varied stakeholders is mapping out the qualitative and quantitative ways that stakeholder trust enhances a company's long-term value. Some key steps to consider include:

- **Strategic values matrix:** Defining the values-driven priorities that the company will act on by engaging with stakeholders and assessing how aligning with stakeholder values can enhance long-term economic success
- **Execution strategy:** Integrating those value-driven priorities in the long-term strategy by setting long-term goals, interim milestones, and incentives
- **Internal reporting structures:** Building the necessary internal structures to communicate the values, goals, and milestones through the organization, and accurately tracking and reporting on progress
- **Strategic narrative:** Creating a concise narrative that brings together these processes and provides the board and executive leadership

with the right information in the right form to assess whether these trust-building measures are accretive to long-term value

When addressing internal issues or external social and political events, companies should identify which issues align with their purpose and values. Proactive planning enables timely, appropriate responses and avoids reactive decisions that may alienate stakeholders with divergent views.

Identifying Opportunities for Boards to Increase Trust

Proxy voting trends underscore areas requiring board attention:

- ESG-related proposals nearly doubled from 2021 to 2022.



- Support for shareholder proposals fell overall, though proposals on climate and human capital continued receiving significant support.
- Support for say-on-pay votes declined, reflecting investor skepticism.
- Support for director elections has trended downward for years while activism is rising.
- Investors increasingly value expanded board bios to build confidence in nominees.
- **Commitments to transparency.** For example, voluntarily publishing a report on political contributions.

These disclosures go far beyond legal requirements, but they help make the case that directors deserve election or reelection.

What Stakeholders Want on the Company's Website

The proxy statement is not the company's only communication vehicle. The company's website often serves as the first point of contact for stakeholders. Boards should consider:

- Videos or transcripts featuring the board chair or committee chairs.
- Accurate, credible ESG disclosures; greenwashing erodes trust rapidly.
- Clear policies on board engagement with stakeholders, including expectations for investor meetings.

Incorporating a company's varied stakeholders into board actions

Stakeholders trust organizations that incorporate their perspectives into planning for the future. Proxy disclosures describing how the board integrates stakeholder considerations into decision making are powerful trust-building tools.

Leadership

47% of executives say trust is built bottom-up; however, only 27% of customers and 35% of employees agree. They expect trust to be led from the top. This creates a clear responsibility for boards: selecting and evaluating leaders who understand and address stakeholder expectations.

Strategy

Trust is fundamental to value creation. Studies show that customer trust directly affects financial performance, making trust a strategic advantage. Boards should factor multi-stakeholder trust into long-term strategy development.

Enhance Disclosure. Enhance Trust.

In today's multi-stakeholder environment, expectations for transparency are broader and deeper. Stakeholders seek more nuanced information about: (1) who the board members are, (2) the board's policies, (3) how the board manages its work, and (4) how the board assesses its own effectiveness.

The proxy statement is no longer a compliance document—it is a strategic communications tool and a one-stop trust-building document. Companies increasingly enhance it to stay ahead of universal proxy rules and to better tell the story of how the board works.

Stakeholders are looking for:

- **Board self-assessment processes and follow-up actions.** Transparency about how the board works, how it sets agendas, and how it updates committee structures provides meaningful insights.
- **More detailed board composition data.** Skills matrices should not only list skills but explain why those skills matter to the company's business and strategy.
- **Expanded director biographies.** These help demonstrate how each director acquired the skills used in the nomination process.
- **Board responses to shareholder proposals and say-on-pay votes.** Summaries of themes from engagement and subsequent board action provide transparency.

What Boards Can Do Now

- 1. Reinforce in board and committee discussions that stakeholder trust is important to the company's long-term success,** and, therefore, important to the board. Communicate to management the rationale for elevating "trust building" as a corporate imperative.
- 2. Seek advice of counsel to ensure that the board understands any limitations (under applicable state law) of prioritizing the building of long-term stakeholder trust. In other words, do certain board decisions taken to enhance stakeholder trust and returns over the long term negatively impact the company's short-term share or results?**
- 3. Press management to work with the board to identify meaningful actions and metrics** based on the company's purpose, values, industry, and circumstances.
- 4. Consider what investments in "trust building" are needed.** Discuss how those investments are incorporated into annual operating plans. For example, have funds and resources been designated for supplier workplace condition audits by third parties? Workforce compensation equity studies? Sustainability initiatives?
- 5. Ask management how they factor the company's various stakeholders into the decision-making process—both in terms of** consistency with company values and long-term value creation for the company. Request enhanced information on stakeholder trust in reports and discussions.
- 6. When appropriate, incorporate those actions and metrics into executive evaluations and compensation decisions.** Discuss those actions and metrics in the company's Compensation Discussion and Analysis.
- 7. Don't think of "trust building" as a standalone agenda topic.** Rather, incorporate questions regarding trust into board and committee discussions on strategy, marketing, workplace safety, risk management, supply chain, talent development, and management selection.
- 8. Enhance shareholder engagement and enhance transparency** into what is happening in the boardroom.
- 9. Consider what changes can be made to make the proxy statement a more effective vehicle for communicating the board's trust-building actions.** In particular, consider what additional information can be included in the proxy statement to assist investors in their assessment of nominees.

Reference:

Adapted. Srinivasan, S. (2023, April 11). Using transparency to build trust: A corporate director's guide. Harvard Law School Forum on Corporate Governance.



1.2 REPUTATION STEWARDSHIP: A BOARD RESPONSIBILITY



A review of business headlines offers numerous examples of how damage to a company's brand can cast a long-shadow. Brand and reputation oversight is complex because it touches corporate values, ethical standards, product reliability, culture, and responsiveness to adverse

events. Integrating such a broad array of factors into governance isn't easy, but boards that take on the challenge can better anticipate risks to the company's image — and potentially gain a competitive advantage.



Damage prevention

Building a reputation is hard, but not in comparison to restoring a damaged brand.



Cross-functional oversight

Integrative approaches for oversight of the brand could be particularly useful.



Span of control

It's not possible to anticipate everything, but consider a focus on what's controllable.

As stewards of long-term value for shareholders and other stakeholders, boards that effectively oversee the enterprise's brand and reputation could see outsized benefits. In the current environment, a company's image can shift rapidly, and while building a strong brand is difficult, repairing a damaged one is far more expensive and time-consuming. This Deloitte's edition of *On the Board's Agenda* provides strategies for navigating these oversight responsibilities. Directors will need to consider a diverse range of factors, many of which extend beyond traditional board concerns. Because the impact of brand and reputation spans the entire enterprise, these elements are interconnected, making a cross-functional oversight approach particularly valuable.

Example Dimensions of Brand and Reputation



**Corporate culture
and values**



**Ethical standards and
reporting processes**



**Product/service reliability,
safety and quality**



**Responsiveness to
stakeholder concerns**







**Data governance,
security, and privacy**



**Crisis communications
response strategy**

Risks and Opportunities

Risks and opportunities will vary by sector, but several cross-cutting concerns are relevant to most companies. The following few illustrative examples might be worth considering:

Example area	Risk	Opportunity	Questions
 Cybersecurity	Data breaches or mishandling of customer information can severely damage a company's reputation	Proactive investment in transparent data practices can build trust and offer brand differentiation.	<ul style="list-style-type: none"> Are there regular checks of data handling processes? In the event of a breach, is there a communication plan?
 Social media	Negative incidents or customer experiences could go viral, causing widespread reputational damage	Effective use of social media can enhance brand visibility and foster positive customer engagement.	<ul style="list-style-type: none"> Is there a real-time social media monitoring strategy? Are there guidelines on social media use?
 ESG progress	If the company has made public ESG commitments, not meeting them can lead to loss of stakeholder confidence.	Strong ESG performance may enhance brand value and attract socially conscious customers and investors.	<ul style="list-style-type: none"> Are ESG initiatives linked to reasonable, measurable goals? Is the company making progress at the expected pace?
 Quality control	Quality, reliability, or safety concerns that become widespread may erode customer trust and damage the brand	Centering brand strategy on reliability, quality, and/or safety can be a way to build loyalty and command premium pricing.	<ul style="list-style-type: none"> Are quality control processes meeting the company's goals? Are there response plans in the event of a quality control issue?

Some risks may be difficult to anticipate, and others lie outside the company's span of control — underscoring the importance of monitoring systems and agile response strategies. While specific metrics and methods vary by company, the following high-level examples could be applied by enterprises in any sector:

Metric	Explanation
Net promoter score	A metric of customer loyalty and likelihood to recommend the company's products or services.
Brand equity score	Creating an internal composite score that can serve as a proxy for factors such as brand awareness and customer sentiment.
Sentiment analysis	Monitoring the tone and content of social media mentions can provide real-time insights into brand perception.
Traditional media coverage	Tracking the quantity and quality of television, radio, and print media mentions may offer insights into brand visibility and perception.

Balancing immediate concerns with long-term brand value is challenging, especially when short-term crises tempt quick fixes that may erode trust over time. Boards can encourage management to adopt a long-term strategic posture, focusing on approaches that strengthen reputational resilience rather than merely resolving short-term problems. The following strategies represent a few illustrative examples:

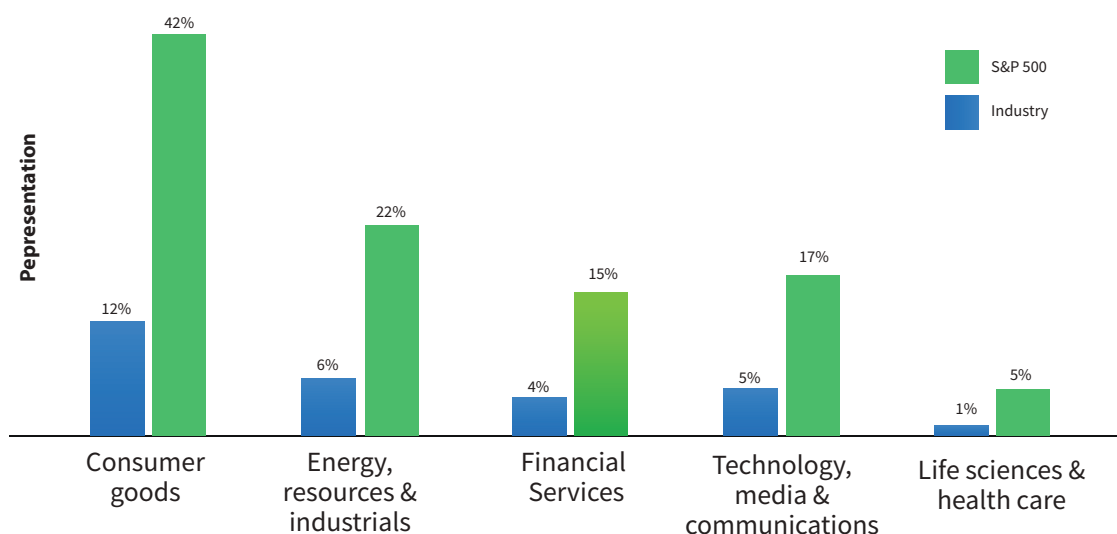
Strategy	Explanation
Brand-values alignmet	Encourage management to develop and periodically update a brand strategy aligned with the company's overall mission and values.
Executive incentives	To foster long-term thinking, there may be value in including brand and reputation metrics in executive compensation plans
Decision-making processes	Ask management to formally integrate long-term reputational impact considerations when making operational decisions
Board stewardship	In board evaluations, consider assessing if a director is being a good steward of the company's values.

For boards aiming to enhance oversight, regular updates from the chief marketing officer (CMO) can be especially valuable. Encouraging collaboration between the CMO and other executives can help embed brand considerations across business functions. CMO experience on the board may also offer a valuable perspective to governance discussions and help bridge the gap between marketing experience and strategic oversight. If no sitting director has that skill set, it could be included as a desired factor in future searches.

Board Composition: CMO Experience Gap

Current and former CMOs have experience developing and executing brand strategy. That skill set could be useful in overseeing brand and reputation. Yet, according to Deloitte, only 28% of S&P 500 companies have at least one director with CMO experience, though representation varies significantly by industry.

S&P 500 companies in which one or more directors have CMO backgrounds



Note: Values may not sum to 100% due to rounding

Creating a Competitive Advantage

As the business landscape becomes more volatile, brand and reputation oversight will continue to appear more frequently on the board's agenda. Boards with a proactive governance approach can help their companies avoid costly reputational crises and position themselves for long-term growth. Building and maintaining a strong reputation is difficult but — restoring a damaged brand is far harder. Although brand and reputation governance is complex, balancing competing pressures and identifying emerging risks can create substantial competitive advantage for boards that rise to the challenge.

Conversation Starters

For those interested in improving their governance of brand and reputation, the following questions can serve as boardroom conversation starters:

- How does the company's current brand strategy align with its long-term business objectives?
- How does the company currently measure and monitor its brand health and reputation? Are any current metrics providing actionable insights?

- In what ways might the company's current corporate culture have an impact on brand reputation, both positively and negatively?
- Is the board effectively leveraging the CMO's experience in brand and reputation governance discussions?
- What processes are used by management to incorporate brand and reputational considerations into major business decisions?
- How well-equipped is the company's crisis management plan to handle a significant reputational threat?
- How is the company prepared to adapt its brand strategy in response to significant market disruptions or societal changes?
- How effectively is the company communicating its brand values and reputation management efforts to investors and other stakeholders?

Reference:

Deloitte. (2024). *On the board's agenda: Brand and reputation stewardship*. Deloitte Insights.

SECTION 2

TRUST AND REPUTATION IN VIETNAM'S CAPITAL MARKET – ESG INFLOWS, INVESTOR EXPECTATIONS, AND FAMILY BUSINESS GOVERNANCE





2.1 VIETNAM'S EMERGING MARKET UPGRADE: POTENTIAL FOR THE NEXT WAVE OF ESG CAPITAL

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On October 8th, 2025, FTSE Russell announced that Vietnam would be promoted to Secondary Emerging Market (EM) status. The upgrade, effective in September 2026, marks a historic milestone for the Vietnam's stock market. The country stands at the crossroads of financial maturity and sustainable transformation.

Beyond the headlines of index inclusion, this shift could become one of the most powerful catalysts for attracting long-term, responsible investment capital.

Why the Upgrade Matters

Vietnam's elevation to EM status signals more than regulatory progress — it communicates trust. For global investors managing trillions in ESG-linked portfolios, this recognition translates into:

- **Market eligibility:** Many ESG and institutional mandates can only invest in EM or developed markets.

- **Improved confidence:** The upgrade reflects stronger governance, transparency, and market access.

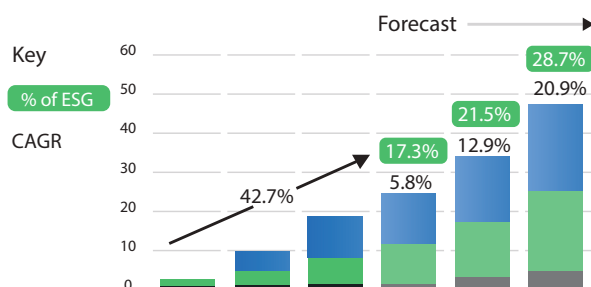
- **Deeper liquidity:** Higher trading volumes and better post-trade infrastructure open the door for large passive and active ESG funds.

These conditions build the foundation for a virtuous cycle of sustainable inflows — where responsible capital fuels better governance, lower risk, and inclusive growth.

The total AUM of PRI signatories stand at USD 139.6 trillion as of 31 March 2025, representing more than half the world's institutional assets under management. Responsible investors actively seek markets that can prove both financial performance and sustainability alignment.

Global ESG AuM (US\$tn)

	2015	2020	2021	2026 Low	2026 Base	2026 Best
Mandates	0.0	4.8	10.4	12.8	16.9	24.4
Mutual funds	1.6	3.6	6.9	10.1	14.3	20.7
Private markets	0.6	1.0	1.1	1.6	2.7	4.5
Total	2.2	9.4	18.4	24.4	33.9	47.6



Global ESG AuM by region (US\$tn)

	2015	2020	2021	2026 Low	2026 Base	2026 Best
Asia-Pacific	0.2	0.7	1.0	2.1	3.3	5.0
Europe	1.1	4.7	12.8	14.3	19.6	25.7
Latin America	0.0	0.0	0.0	0.1	0.2	0.3
Middle East & Africa	0.0	0.1	0.1	0.2	0.3	0.4
North America	0.8	3.8	4.5	7.7	10.5	16.3
Total	2.2	9.4	18.4	24.4	33.9	47.6

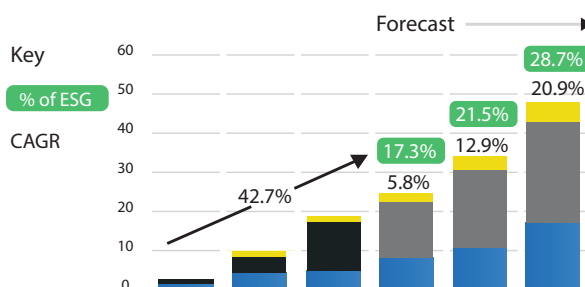


Figure 1: Despite the global headwinds, growth in ESG investments is forecast to outpace the industry as a whole (Source: PwC Global, 2022)

A Virtuous Cycle: How Sustainable Inflows Transform Markets

Sustainable investing is not just about redirecting capital — it's about reshaping the *behavioural DNA* of financial markets. When ESG capital flows

into a country like Vietnam, it creates a self-reinforcing cycle where finance becomes a force for sustainable development.



1. Sustainable Inflows → Strengthened Governance and Disclosure:

As global ESG investors allocate more capital to Vietnam, they bring higher standards of transparency and accountability. Listed companies are incentivized to adopt ESG reporting frameworks (e.g., ISSB, GRI, TCFD) and strengthen board oversight. This shift doesn't only improve disclosure — it elevates corporate culture. Firms begin to internalize the long-term value of sustainability as part of their fiduciary duty to shareholders.

2. Better Governance → Lower Cost of Capital and Market Stability:

Companies with strong ESG profiles often enjoy lower perceived risk from investors and creditors.

This leads to tighter credit spreads, lower equity risk premiums, and greater investor confidence. At the market level, enhanced disclosure and governance reduce volatility, creating a more predictable and liquid environment — one where both local and foreign investors can commit for the long term.

3. Lower Capital Costs → Green Infrastructure and Innovation:

Access to cheaper and more stable financing allows Vietnamese firms to reinvest in green and innovative projects — from renewable energy to low-carbon logistics and circular agriculture. In turn, this catalyzes a broader green industrial ecosystem, helping Vietnam align with its Net Zero 2050 roadmap and national Green Growth Strategy.

4. Green Investment → Inclusive and High-Quality Growth:

Sustainability-driven projects tend to have multiplier effects — creating new jobs, fostering skill development, and spreading clean technology to SMEs. This phase transforms Vietnam's growth model from quantity-driven to quality-driven, where economic expansion is inclusive, resilient, and environmentally sound.

5. Sustainable Growth → More ESG Inflows:

As markets demonstrate maturity, transparency, and impact, they attract even more responsible investors.

Thus, Vietnam's market enters a positive feedback loop, where sustainable capital drives sustainable progress.

Enablers Already in Place

Vietnam has laid important groundwork to attract sustainable investors:

- Mandatory ESG disclosure under *Circular 96/2020* — paving the way toward ISSB and GRI standards.
- National Green Taxonomy (*Decision 21/2025*) with verification and incentives for compliant projects.
- Vietnam Corporate Governance Code of Best Practices — improving accountability at board level.
- FTSE EM upgrade effective in September 2026 and the target for MSCI upgrade in the following years — unlocking access to global passive and active ESG allocations.

Together, these policies send a strong signal that Vietnam is serious about aligning capital markets with sustainability goals.

Next Steps to Attract ESG Equity Flows

To convert readiness into real capital, Vietnam can accelerate progress through:

- Standardized ESG reporting templates and independent assurance.

- Taxonomy-aligned disclosures at the issuer level (e.g., green loan targets and achievements).
- Development of ESG indices and ETFs with liquidity support.
- Introduction of a Vietnam Stewardship Code to promote active, responsible ownership.
- Grant programs for verification and assurance to lower entry costs for issuers.
- Stronger greenwashing enforcement to ensure credibility and protect investor trust.

Success in attracting ESG inflows can be tracked through concrete, transparent metrics:

- Percentage of companies in Vietnam All-Share Index publishing GRI/ISSB-aligned ESG reports and having third-party assurance for their sustainability/ESG reports.
- Growth in AUM and trading volume of ESG—themed funds and indices.
- Adoption rate of Stewardship Code principles by asset managers and listed companies.

Toward a Sustainable Capital Market

Vietnam's capital market transformation is not just about inclusion — it's about integration. By embedding ESG principles into its regulatory fabric and investment culture, Vietnam can position itself as ASEAN's next sustainable finance hub — a market where economic growth, transparency, and environmental resilience advance together.

"Emerging markets attract attention. Sustainable markets attract trust."

2.2 THE RISING INFLUENCE OF INSTITUTIONAL INVESTORS ON CORPORATE GOVERNANCE IN VIETNAM

Dr. Nga Pham, CFA, MBA
Associate Professor, Monash Business School
ESG Consultant, IFC
Academic Advisory Council Member, VIOD



Vietnam's capital market has undergone significant transformation over the past decade. Better regulatory framework and best practice guidance, such as the Vietnam Corporate Governance Code of Best Practices (2019) and the new edition of IFC's Corporate Governance Manual (2025) drive further corporate governance improvements. These developments, together with Vietnam's strong economic growth over the past few decades and the anticipated upgrade from frontier to emerging market status have attracted a diverse pool of international institutional investors. Recent data from Diligent Market Intelligence capturing the disclosed voting records of institutional investors shows that more than 200 foreign funds have invested in Vietnamese listed companies and actively exercised their voting power during the 2015 - 2025 period¹. This article analyses investors' voting behaviour and provides a unique lens into how foreign institutions are likely to influence governance practices in Vietnam.

How Foreign Institutional Investors Vote and the Issues They Tend to Oppose

The institutional landscape in Vietnam differs notably from that of more mature markets. In countries with well-developed pension and mutual fund sectors, such as Australia, the United Kingdom, and the United States, domestic institutions, especially large asset owners, often drive corporate governance reforms. By contrast, Vietnam's domestic investor base is still dominated by banks and insurance companies, state-owned/linked entities, and corporate shareholders. According to Bloomberg², on average, they own roughly 4%, 14.2% and 22% of companies in the VN100 Index, respectively. These groups of shareholders, together with individual investors who currently represent over 24% of VN100 companies, have shown limited opposition to management. Concentrated ownership among Vietnamese listed companies and a cap on foreign investors' participation have heightened the need for stronger corporate governance to ensure the interests of minority shareholders are protected.

¹ While efforts have been made to cross check with some local records, the author does not guarantee the accuracy or completeness of the voting records captured in Diligent Market Intelligence.

² Ownership data extracted from Bloomberg on 20 November 2025

Investor	Vote cast					Grand Total
	For	Against	Abstain	Withhold	DNV	
BlackRock Inc.	4,012	1,435	58	95	46	5,646
Eaton Vance Management, Inc.	3,664	1,198	77		43	4,982
Parametric Portfolio Associates, LLC	3,485	1,081	118		62	4,746
Norges Bank Investment Management	3,547	893	53	32		4,525
T. Rowe Price Associates, Inc.	2,548	750	57	5	173	3,533
Van Eck Associates Corp.	2,489	686	297		10	3,482
Global X Management Co. LLC	2,004	664	187			2,855
Legal & General Investment Management	1,858	679	66	58		2,661
Grandeur Peak Global Advisors, LLC	2,256	286			36	2,578
Massachusetts Pension Reserves Investment Management..	1,849	651		1	20	2,521
Matthews International Capital Management LLC	1,915	499	26		64	2,504
Boston Management and Research	1,604	555	41		36	2,236
Grantham, Mayo, Van Otterloo Co. LLC	1,624	343	36	2	137	2,142
Schroders PLC	1,468	354	5	2	27	1,856
Alliance Bernstein LP	1,194	292	215	2	66	1,769
Amundi Asset Management	1,287	423	30	22		1,762
Lion Global Investors (LGI)	1,006	353	109			1,468
Eastspring Investments (Singapore) Limited	1,066	318	53	27		1,464
Russell Investment Management Co.	1,010	318			23	1,351

Exhibit 1: Top 20 international funds by voting activity at Vietnamese shareholder meetings from 2015 to 2025

As the market evolves, it is expected that institutional investors, especially foreign investors, will play an influential role in shaping governance improvements.

Exhibit 1 shows the voting disclosures of the top 20 international investors in Vietnam based on the number of votes made at annual and extraordinary shareholder meetings.

Leading global asset managers such as BlackRock, Eaton Vance, Parametric, Norges Bank, and T. Rowe Price collectively cast tens of thousands of votes on Vietnamese shareholder resolutions, signalling strong stewardship interest in the market.

Over the last ten years, BlackRock, the investor with over USD 13.5 trillion of assets under management, has invested in Vietnamese companies via several funds, for example, iShares MSCI Frontier and Select EM ETF, iShares Self-Driving EV and Tech ETF, and Total International ex-US Index Master Portfolio. In total, BlackRock has voted on over 5,600 company resolutions, 71% of which it supported. While the majority of votes are “For”, the data also reveal a meaningful volume of “Against” and “Withhold” decisions. BlackRock alone voted against more than 1,400 proposals, over 25% of its votes, indicating active scrutiny of governance practices rather than passive ownership. Globally, BlackRock supported management on 89%

of the proposals in 2025³. A similar pattern is observed among most other investors above, with the “For” votes accounting for just over 70%. Additionally, several funds (e.g., T. Rowe Price, Grantham Mayo Van Otterloo, Matthews International) show high levels of “Did Not Vote” (DNV), reflecting ongoing logistical, procedural and disclosure challenges for foreign investors in exercising full voting rights.

Issues That Trigger Investor Opposition

International institutional investors’ voting records show clear patterns of opposition on key governance-sensitive topics. While overall approval rates are high across many routine items, some categories consistently attract significantly higher “Against” votes.

As illustrated by Exhibit 2, opposition is most pronounced on proposals with direct implications for shareholder rights and board accountability. “Shareholder Meetings”, “Related Party Transactions” and “Equity Based Plans” are among the highest dissent levels, at 6.53%, 4.29% and 4.24% Against, respectively. The “Bonus”-related proposal received the lowest level of support, with 0.06% against and 17.62% either Abstain/Withhold or DNV.

³ <https://www.blackrock.com/corporate/literature/publication/2025—investment—stewardship—voting—spotlight.pdf>

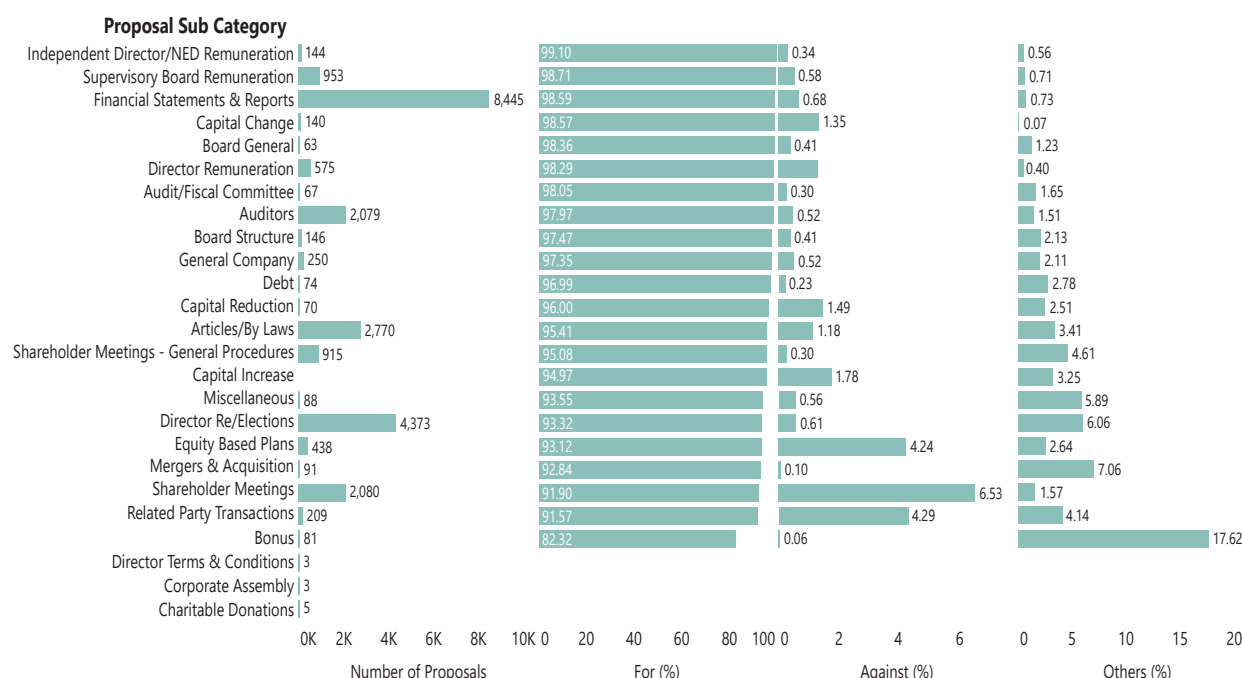


Exhibit 2: Investor Voting Outcomes by Proposal Sub-Category at Vietnamese Shareholder Meetings

“M&A”, “Director Re/Elections” and “Capital Increase” also received lower levels of support than other proposals, on average, with about 5-7% voting *Against/Abstain/Withhold or DNV*.

Investors’ scrutiny of these types of proposals reflects the long-standing concerns among foreign investors about tunnelling risks and insufficient safeguards against conflicts of interest within Vietnam’s concentrated ownership structures.

The recommendations of major proxy advisory firms, most notably Glass Lewis (GL) and Institutional Shareholder Services (ISS), might have partially shaped how international institutional investors vote on Vietnamese shareholder meeting proposals. Many of the world’s largest global asset managers, especially index funds and diversified institutional owners, seemingly rely on proxy advisor analyses when casting ballots across thousands of resolutions worldwide.



Proposal Sub Category	Actual Glass Lewis Rec.		
	For	Against	Abstain
Financial Statements & Reports	97.03%	2.00%	0.97%
Articles/By Laws	82.65%	11.40%	5.95%
Director Re/Elections	49.57%	38.19%	12.24%
Supervisory Board Remuneration	84.69%	8.52%	6.79%
Auditors	45.25%	10.03%	44.72%
Shareholder Meetings - General Procedures	93.82%	5.46%	0.72%
Director Remuneration	82.67%	5.56%	11.78%
Capital Increase	70.21%	23.19%	6.60%
Equity Based Plans	55.59%	39.47%	4.93%
Related Party Transactions	76.14%	16.48%	7.39%
Independent Director/NED Remuneration	88.89%	11.11%	
General Company	82.89%	11.18%	5.92%
Capital Change	93.00%	4.00%	3.00%
Miscellaneous	77.38%	21.43%	1.19%
Board Structure	58.25%	30.10%	11.65%
Debt	84.21%	10.53%	5.26%
Capital Reduction	88.68%	3.77%	7.55%
Bonus	82.69%	9.62%	7.69%
Board General	79.63%	14.81%	5.56%
Audit/ Fiscal Committee	60.00%	10.00%	30.00%
Mergers & Acquisition	61.22%	12.24%	26.53%
Shareholder Meetings	1.05%	98.83%	0.12%
Charitable Donations	100.00%		
Corporate Assembly	33.33%	66.67%	

Exhibit 3: Glass Lewis recommendations on Vietnamese Shareholder Meeting Proposals

Their influence is particularly pronounced in markets such as Vietnam, where disclosure gaps, language barriers and shorter AGM timelines make independent analysis difficult for overseas investors to conduct at scale.

GL expresses strong governance concerns, and therefore, issues substantial *Against* recommendations in *Shareholder Meetings*⁴ (98.8% *Against*), *Corporate Assembly*⁵ (67%), *Equity Based Plans* (39.5%), *Direct Re/Election* (38%), and *Board Structure* (30%), see Exhibit 3. In its 2025 Benchmark Policy Guidelines for Vietnam⁶, GL re-emphasises the importance of independent boards with the right collective experience and board committees.

⁴ Included in this category are mostly proposals related to Other Business and Authorization of Legal Formalities.

⁵ Included in this category are proposals related to Amendments to Internal Regulation on Corporate Governance.

⁶ <https://resources.glasslewis.com/hubfs/2025%20Guidelines/2025%20Vietnam%20Benchmark%20Policy%20Guidelines.pdf>

It states explicitly that it will recommend voting against insider or affiliated members if the Board of Directors (BOD) or the Supervisory Board is not sufficiently independent. GL also spells out how it formulates voting recommendations based on directors' performance, including board meeting attendance, company performance, restatements of financial statements, and insufficient meetings of the BOD and its committees. Furthermore, GL expects BOD to provide oversight of material environmental and social risks.

Most global asset managers also maintain their own publicly disclosed proxy voting guidelines that shape their voting decisions. The transparency of these policies provides a significant opportunity for Vietnamese companies to understand investor expectations and align their corporate governance practices with internationally recognised standards.

Under the Hood – Inside the Vote: What Drove Investors' Decisions?

A detailed review of investors disclosed voting rationales reveals a remarkably consistent set of concerns driving opposition to proposals at Vietnamese shareholder meetings. The single most prominent theme is insufficient disclosure. Across hundreds of resolutions, investors repeatedly stated that they “will not support an agenda item if the information disclosed is insufficient to make an informed decision.” This applied across proposal types from director elections to dividends, related-party transactions (RPTs), and amendments of governing documents. Investors emphasised that without clear information on nominees, transaction terms, pricing, fees, business rationale, or performance conditions, they had no choice but to vote *Against* or *Abstain*.

“We will not support an agenda item if the information disclosed is insufficient to make an informed decision.” (Norges Bank Investment Management’s voting reason stated for Resolution No. 2, SSI Securities Corporation’s Special Meeting dated 25 September 2025).

“Lack of Disclosure.” (Schroder’s voting reason stated for Resolution No. 6, HD Bank’s Meeting dated 01 September 2025)

A second strong theme relates to the protection of shareholder rights and the concern over unfettered managerial discretion. Investors objected to proposals seeking blanket authority, particularly over related-party transactions or unspecified “other business”. These concerns are amplified in Vietnam’s concentrated ownership environment.

Transactions between related parties should be avoided unless they are demonstrably beneficial to all shareholders. The board should disclose the name and affiliation of each party involved, value and cost of the transaction, and business rationale. (Norges Bank Investment Management’s Voting Reason stated for Resolution No. 7,

Hoang Huy Investment Financial Services JSC, Meeting dated 24 July 2025)

“The external auditor should act independently. We will consider the auditor’s independence and any concerns about the accounts or audit procedures. Excessive non-audit-related fees represent a potential conflict of interest and should be avoided. (Norges Bank Investment Management’s Voting Reason stated for Resolution No. 6, Hoang Huy Investment Financial Services JSC, Meeting dated 24 July 2025)

Board independence, accountability, and nomination processes also featured prominently. Investors criticised companies for not providing adequate information about board or supervisory board nominees. Investors have explicitly stated that effective governance requires annual elections, genuine independence, and clear procedures that allow shareholders to propose candidates.

“Insufficient independence on the board of supervisors. (RobecoSAM’s and Schroders PLC’s voting reason stated for Resolution No. 3.01, Vincom Retail JSC’s meeting dated 15 July 2025)

Another recurring concern involved valuation and dilution risks in capital-related proposals. Investors opposed capital increases, convertible instruments, or stock option plans that involved “excessive discounts” or lacked justification for discounted exercise or conversion prices. Where remuneration or equity plans had vague or undisclosed performance conditions, investors again voted *Against*, citing the inability to assess alignment with shareholder value.

“A vote AGAINST this resolution is warranted given that the company has not provided sufficient justification for the significant discount represented by the conversion price.” (Pictet Asset Management Ltd’s voting reason stated for Resolution No. 5, HD Bank’s Meeting dated 01 September 2025)



Outlook Amid Market Upgrade to Emerging Status

Vietnam's anticipated upgrade from frontier to emerging market by FTSE Russell in 2026 is a catalyst for improving shareholder protection. The market upgrade is expected to increase foreign institutional ownership of Vietnamese equities, as many global funds track emerging market indices. These investors are likely to be even more vigilant in exercising their voting rights than the current investor base. Proxy advisory firms have already been issuing specific voting guidelines covering Vietnam⁷ on board structure,

audit quality, and shareholder rights, indicating a higher governance bar.

Under greater scrutiny, Vietnamese companies may face higher opposition to resolutions that fall short of international governance expectations. Those that proactively improve transparency and governance to ensure fair treatment of minority investors are likely to have easier access to global capital from a growing pool of institutional investors.

⁷ ISS: <https://www.issgovernance.com/file/policy/active/asiapacific/Asia—Pacific—Regional—Voting—Guidelines.pdf?v=2025.1>, and Glass Lewis: <https://resources.glasslewis.com/hubfs/2025%20Guidelines/2025%20Vietnam%20Benchmark%20Policy%20Guidelines.pdf>

2.3 THE FAMILY GOVERNANCE – FROM PHILOSOPHY TO PRACTICE

Dr. Trung Dinh

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Academic Advisory Council Member, VIOD

Family-owned businesses (FOBs) have long played an outsized yet often under-recognized role in the global economy. Today, they contribute more than 70 percent of global GDP and, in many countries, account for over 70 percent of all active enterprises. Beyond their economic weight, family businesses are central to community well-being, supporting education, healthcare, and social infrastructure across regions and generations.

The Landscape of Family Businesses in Vietnam

In Vietnam, the modern wave of family businesses gained momentum in the early 1990s, following economic reforms that opened broad opportunities for private enterprise. Many businesses emerged organically from entrepreneurial families, while others grew out of the privatization of state-owned companies. The Vietnamese government has clearly acknowledged their importance. Resolution No. 68-NQ/TW sets out a comprehensive roadmap to elevate the private sector, identifying family businesses as a fundamental pillar and a key driver of national growth, innovation, and employment.

Despite their significance, family businesses face challenges that threaten long-term continuity. Globally, research indicates that as many as 95 percent of family businesses fail to transition beyond the third generation. There is also a Vietnamese proverb that says, “No family stays wealthy for three generations.” The primary cause is the lack of preparation—both in governance and leadership development—among next-generation family members who must manage the dual complexities of a growing business and an expanding family network.

Success Factors and Common Risks

Analysts and scholars highlight several factors that typically underpin the success of family enterprises, including the exceptional entrepreneurial talent and commitment of the founder, the

presence of strong shared values and long-term orientation, the stability of relationships with employees and partners, and a robust corporate culture that shapes reputation and trust. These attributes reinforce cohesion and strengthen competitiveness over time.

Importantly, reputation and trust are not only internal strengths but are increasingly critical assets in the capital market. Well-governed family businesses tend to command higher investor confidence, face lower perceived risk, and often enjoy more favorable access to capital. In emerging markets like Vietnam, where transparency and reliability remain key concerns for investors, the reputation of family-controlled firms can significantly influence valuation, credit terms, and the willingness of institutional investors to engage. As a result, governance quality and perceived integrity of the family behind the enterprise become integral components of market trust.

However, family businesses—particularly in emerging markets such as Vietnam—also face structural risks. Higher reliance on debt can expose firms to financial volatility. Weak succession planning often leads to leadership gaps across generations. Over-diversification into unrelated sectors, especially real estate, may dilute resources and distract from core capabilities. In addition, reluctance to invest in research and development, technology, ESG practices, and external talent can limit innovation and reduce resilience in a rapidly evolving business environment.

From Philosophy to System: The Foundations of Family Governance

Research on multi-generational business families points to a consistent insight: longevity stems from a shared family philosophy, translated into clear principles and sustained through disciplined daily practices. According to Professor John

Ward, a family enterprise can achieve long-term success only when both the family system and the business system are healthy. This requires the establishment of governance structures for

Family philosophy comprises of the following topics:

- Purpose
- Vision & Mission
- Core values

Principles are as follows:

- Strategic level: Policies
- Operational level: Practice

the family, the ownership circle, and the business organization, along with a proactive and well-designed succession process.

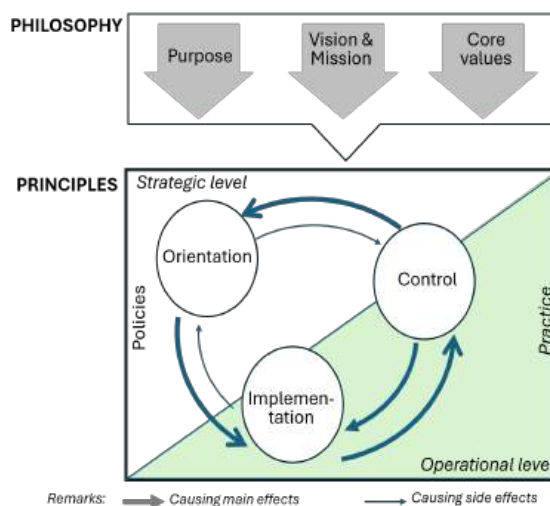


Figure 1: The relationship of family philosophy – principles – practice in family governance
(Dinh, Trung: *The Strategy Planning Framework*. Hanoi, Alphabooks. 2025)

John Davis's well-known Three-Circle Model illustrates the family business ecosystem as three overlapping yet distinct spheres: family, ownership, and business. Each sphere has its own logic, objectives, and governance mechanisms—

from shareholder agreements in the ownership domain, to family constitutions or protocols in the family domain, to strategic planning and corporate governance practices in the business domain.

Each sphere has its own purpose, identity, and governance tools:

- **Ownership** → shareholder agreements
- **Family** → family constitution or protocols
- **Business** → corporate governance and strategic planning

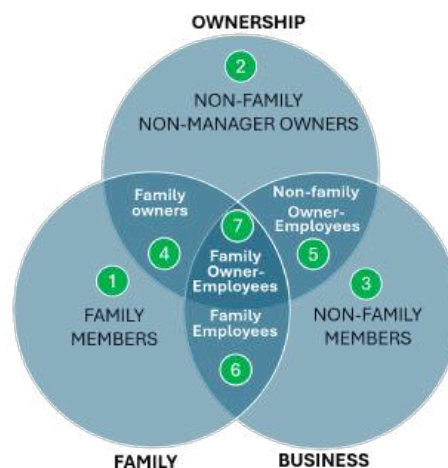


Figure 2: The "Three-Circle Model" – Family – Ownership – Business
(Davis, J. A.; Tagiuri, R.: *"Bivalent Attributes of the Family Firm"*, 1982)

Although distinct, these spheres interact constantly. Many individuals occupy multiple roles at once—owner, family member, and executive—creating both synergies and tensions that must be managed with clarity and intent.

Family Governance in Practice

Family governance encompasses the set of rules, agreements, structures, and processes by which the family organizes its relationship with the business and with one another. When thoughtfully designed and consistently applied, governance strengthens decision-making, reduces conflicts of interest, harmonizes expectations across

generations, reinforces trust, and safeguards continuity and legacy.

In the context of capital markets, effective family governance signals stability, predictability, and professionalism—qualities that investors reward. Clear governance structures reduce concerns about related-party transactions, opaque decision-making, or concentration of power. This transparency enhances the firm's credibility, enabling family businesses to transition more smoothly from privately held operations to publicly listed companies when needed, and to maintain investor trust over time.

- **Family Council** – responsible for family policies, education, values, and communication
- **Board of Directors** – responsible for strategy, oversight, and management supervision
- **Shareholders Assembly** – responsible for electing the Board and major ownership decisions

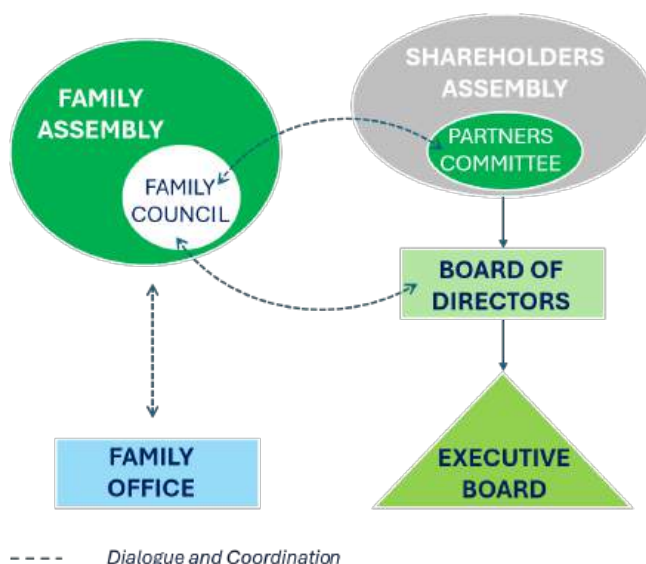


Figure 3: The family governance structure (IBCG. *The Business Family Governance*. 2020)

Institutionalizing governance typically involves the gradual establishment of formal bodies such as the family council, the board of directors, and the shareholders' assembly. These entities must operate in a coordinated manner, with clearly defined mandates that distinguish corporate matters from ownership issues and family affairs, while still ensuring alignment toward the shared vision of continuity and long-term success.

The Journey toward Professionalization in Family Governance.

Professionalization forms the foundation for sustainable growth in family businesses. It enables organizations to modernize, innovate, attract and retain talent, improve performance, enhance competitiveness, create long-term value for

shareholders, and ensure smooth generational transitions.

As Vietnamese family businesses continue to evolve, the adoption of strong governance systems—rooted in enduring family values and reinforced by contemporary management practices—will be essential for building resilient, future-ready enterprises that can thrive across generations.

Ultimately, professionalism and transparency not only strengthen internal management but also elevate the firm's standing in the capital market. Over time, these attributes help build a reputation that becomes a competitive advantage in its own right.



DIRECTOR CERTIFICATION PROGRAM (DCP)

With internationally benchmarked, in-depth, and practice-oriented content, the Director Certification Program (DCP) organized by the Vietnam Institute of Directors (VIOD) has firmly established itself as one of Vietnam's most reputable and comprehensive educational programs for board members, executive management, senior leaders, and corporate governance practitioners.

In 2025, VIOD continued to deliver the DCP series with a well-structured and continuously updated curriculum that reflects the realities of Vietnamese corporate governance while remaining aligned with advanced international standards under ASEAN and OECD frameworks. Since August, VIOD has successfully organized four cohorts—DCP35, DCP36, DCP37, and DCP38—in Hanoi and Ho Chi Minh City, welcoming more than 100 participants, including directors and senior business leaders.

Facilitated by leading corporate governance experts, DCP offers a flexible and comprehensive learning journey that spans board roles and responsibilities, oversight practices, stakeholder engagement, and the integration of technology and ESG into governance. Beyond knowledge development, the program also serves as a platform for peer learning and professional exchange, connecting leaders who share the same commitment to elevating governance standards in Vietnam. Through DCP, VIOD continues to accompany the business community on its journey toward building a modern, transparent, and sustainable governance ecosystem—strengthening trust and reputation in Vietnam's capital market and the broader region.



35th–38th Director Certification Programs (DCP35–DCP38) in Hanoi and Ho Chi Minh City

AUDIT COMMITTEE MASTER PROGRAM (ACMP)

As Vietnam’s capital market enters a period of deeper integration, companies are required to demonstrate stronger capabilities in internal control, compliance, and risk management. Responding to this evolving landscape, the Audit Committee Master Program (ACMP) is designed to build the capacity of Audit Committees, Supervisory Boards, and other key oversight functions.



10th & 11th Audit Committee Master Programs (ACMP10–ACMP11) in Hanoi and Ho Chi Minh City

In November 2025, VIOD successfully delivered two cohorts—ACMP10 in Hanoi (November 11–12) and ACMP11 in Ho Chi Minh City (November 26–27). The program offered directors, Audit Committee members, Supervisory Board members, and supporting functions an in-depth exploration of internal control, risk management, and compliance, grounded in current laws and implementation guidelines. Participants also benefited from practical insights shared by leading Vietnamese companies, helping them strengthen the effectiveness and rigor of their oversight roles.

Looking ahead to 2026, ACMP will continue to expand, reinforcing its position as a premier educational program for leaders aiming to meet rising governance expectations and international standards.

CORPORATE SECRETARY MASTER PROGRAM (CSMP)

The Corporate Secretary plays an indispensable role as a “strategic bridge” within the governance ecosystem—ensuring transparent information flows, supporting effective Board operations, and facilitating meaningful engagement among the Board, executive management, and key stakeholders. To strengthen this critical function, VIOD has continuously refined its Corporate Secretary Master Program (CSMP), the only specialized educational program in Vietnam dedicated to Corporate Secretaries and governance professionals.

The latest cohort—CSMP10 (October 9–10, 2025 in Hanoi)—further reinforces CSMP’s position as a unique and high-value learning platform. With a curriculum aligned to international principles yet grounded in the realities of Vietnamese enterprises, CSMP equips participants with comprehensive knowledge, advanced professional skills, and strategic thinking essential for supporting organizational sustainability.



10th Corporate Secretary Master Program (CSMP10) in Hanoi | October 9–10, 2025

DIRECTORS TALK SERIES: A JOURNEY OF TRUST-BUILDING AND SUSTAINABLE VALUE CREATION

Directors Talk is VIOD's signature thematic seminar series, serving as a platform for Board Members, business leaders, experts, and investors to exchange insights on emerging governance issues and the development of Vietnam's capital market. The latest session—Directors Talk #25, “Decoding financial statements: Identifying tax risks & designing a governance framework”—introduced practical approaches that enable Boards and senior executives to identify financial-tax risks, support informed decision-making, and reinforce market confidence. Financial statements, often described as the “language of business,” play a critical role not only in reflecting performance but also in helping leadership anticipate risks that shape corporate reputation and investor trust.



*Directors Talk #25: “Decoding financial statements: Identifying tax risks & designing a governance framework”
November 14, 2025*

MEMBER NETWORKING EVENTS: CONNECTING LEADERS AND ADVANCING MODERN GOVERNANCE VALUES

The Member Networking events have become a flagship connecting platform within the VIOD community, bringing together representatives from the Corporate Membership Program (CMP), Individual Membership Program (IMP), and Alumni networks (DCP, ACMP, CSMP). These events serve



as an engaging forum for leaders to meet, exchange perspectives, and stay current with governance insights as the market enters a significant phase of transformation. From addressing rising corporate governance standards and analyzing investor sentiment and behavior to exploring opportunities and navigating challenges as Vietnam's stock market approaches official upgrade status, the monthly thematic events have consistently accompanied businesses on their governance journey.

*August–November Member Networking Events
in Hanoi and Ho Chi Minh City*

2026 PROGRAMS AND EVENTS

CHAIR DEVELOPMENT PROGRAM (CDP)

CDP1	20 - 21 March 22 - 23 May	Ho Chi Minh City
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STRENGTHENING YOUR BOARD'S CAPACITY (SBS)

SBS3	September	Switzerland
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DIRECTOR CERTIFICATION PROGRAM (DCP)

DCP40	19 - 21 March	Ho Chi Minh City
DCP41	16 - 18 April	Hanoi
DCP42 (Bilingual)	21 - 23 May	Ho Chi Minh City
DCP43	16 - 18 July	Hanoi
DCP44	13 - 15 August	Ho Chi Minh City
DCP45	17 - 19 September	Ho Chi Minh City
DCP46	15 - 17 October	Hanoi
DCP47	19 - 21 November	Ho Chi Minh City

AUDIT COMMITTEE MASTER PROGRAM (ACMP)

ACMP12	09 - 10 April	Ho Chi Minh City
ACMP13	25 - 26 June	Hanoi
ACMP14	25 - 26 August	Ho Chi Minh City
ACMP15	22 - 23 October	Hanoi
ACMP16	12 - 13 November	Ho Chi Minh City

2026 PROGRAMS AND EVENTS

CORPORATE SECRETARY MASTER PROGRAM (CSMP)

CSMP11	26 - 27 May	Ho Chi Minh City
CSMP12	04 - 05 June	Hanoi
CSMP13	23 - 24 July	Ho Chi Minh City
CSMP14	20 - 21 August	Hanoi
CSMP15	22 - 23 September	Ho Chi Minh City
CSMP16	08 - 09 October	Hanoi
CSMP17	24 - 25 November	Ho Chi Minh City

FORUMS

Women Directors Forum	March	Hanoi
Annual General Meeting Season & Emerging Market Spirit	March	Hybrid
Annual Forum #9	04 December	Hanoi



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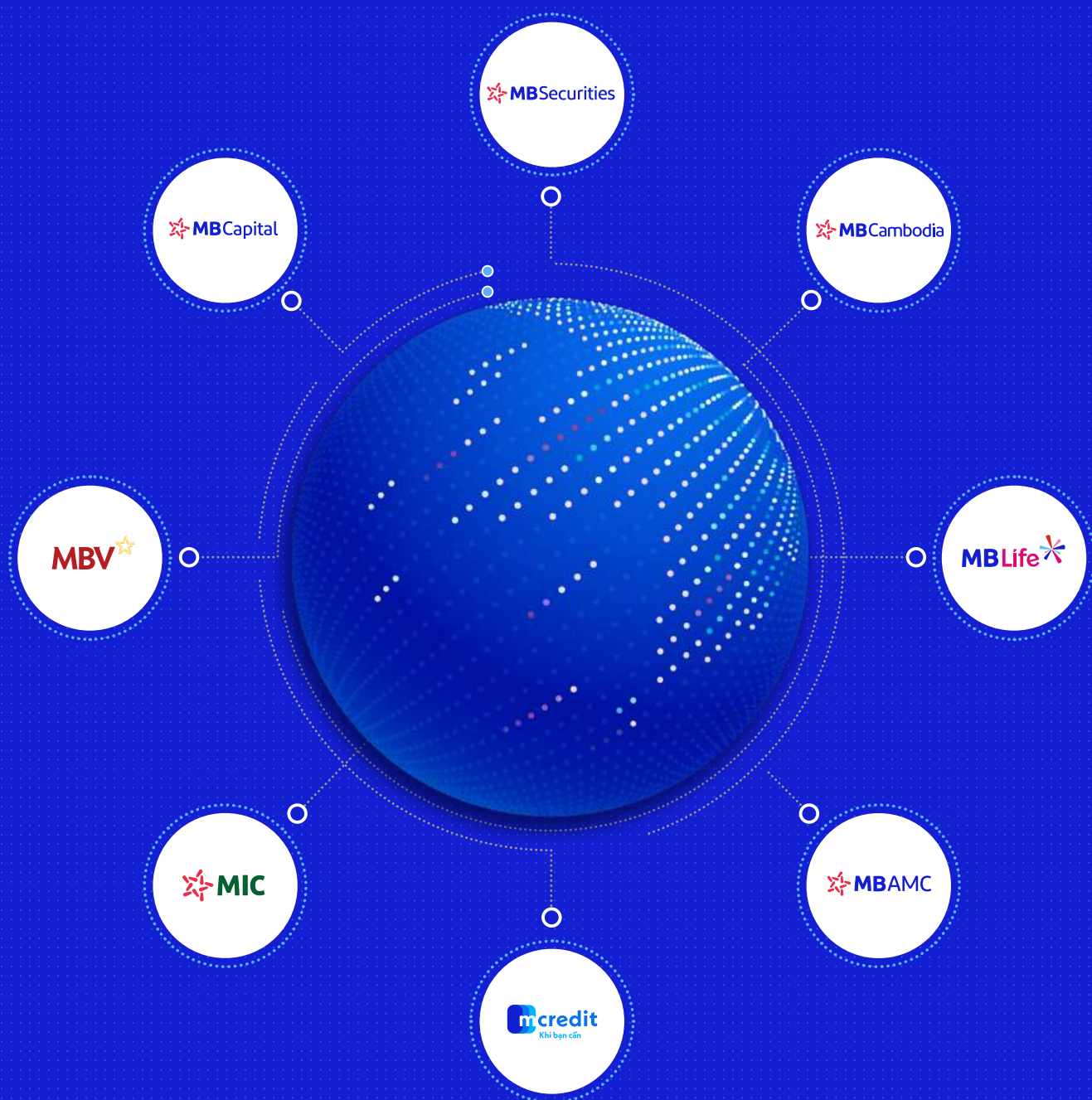




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