



A.B.N. 64 063 656 333

Vietnam Industrial Investments Limited
POLICIES MANUAL

BOARD CHARTER

1. INTRODUCTION AND PURPOSE

This statement summarises the roles and responsibilities of the Board of Vietnam Industrial Investments Limited (“VII”). The disclosure of the roles and responsibilities of the Board is designed to assist those affected by corporate decisions to better understand the respective accountabilities and contributions of the Board and management of VII.

It must be noted that the roles and responsibilities of the Board will evolve as the Company moves forward. As such, a regular review of the balance of responsibilities is seen to be appropriate to ensure that the division of the functions remains appropriate to the needs of the Company.

This policy statement is only a summary of the matters reserved to the Board and should therefore only be used as a general guide, which is not to be used in a legal capacity.

2. ROLE OF THE BOARD

Key Responsibilities

The management and control of the business of VII is vested in the Board. The Board’s primary responsibility is to oversee VII’s business activities and management for the benefit of VII’s shareholders. The Board also recognises its responsibilities to VII’s employees, the environments and communities in which VII operates and where appropriate, other stakeholders. The Board strives to create shareholder value and ensure that shareholders’ funds are prudently safeguarded.

The key responsibilities of the Board include:

- * Providing leadership and developing the strategic objectives of the Company with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- * Appointing the chairman;
- * Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer (“CEO”) and senior management;
- * Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- * Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- * Satisfying themselves that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;
- * Assuring themselves that appropriate audit arrangements are in place;
- * Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted a Code of Conduct and that the Company practice is consistent with the Code;



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- * Reporting to and advising shareholders – overseeing the Company’s process for making timely and balance disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company’s securities;
- * Performing regular formal performance review of the board, its committees and individual directors and address any issues that may emerge from that review (Refer to Performance Evaluation Process below);
- * Approving the Company’s remuneration framework and reviewing written agreements with each director and senior executive which set out the terms of their appointment; and
- * Monitoring the effectiveness of the Company’s governance practices.

Delegated Responsibility

The Board has delegated responsibility for the day-to-day activities to the CEO and the Executive Management. The Board ensure that the team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and Executive Management. The roles of the Chairman and the CEO are not exercised by the same individual. The CEO and Executive Management are accountable to the Board for all authority delegated to their positions.

The Board is responsible for ensuring that management’s objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure that this is achieved. These mechanisms include the following:

- * Establishment of the following Committees:
 - Audit and Risk Committee; and
 - Remuneration Committee, if necessary
- * As outlined above, the Board oversees the strategic direction of the Company.
- * As outlined above, the Board reviews and approves all budgets of its consolidated entities.
- * The Board receives detailed board papers on a quarterly basis showing the quarterly and year to date performance of all aspects of the Company, compared to budget.
- * The Board receives regularly financial information on the group’s operating subsidiaries in Vietnam in a format to be determined by the Board from time to time.
- * Procedures are in place to allow any director or Committee of the Board to seek external professional advice as considered necessary, at the Company’s expense.
- * Procedures are in place to incorporate presentations from senior management at relevant Committee meetings on an as required basis to increases the Committees’ understanding of the area. Further, the Board may request further information from management from time to time on any issue.
- * In the event that a potential conflict of interest may arise, involved directors withdraw from deliberations concerning the matter.

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Nomination of Directors

The functions to be performed by a nomination committee under the ASX Corporate Governance Principles and Recommendations are currently performed by the full Board and this is reflected in the written policy setting out the responsibilities of the Board.

In fulfilling its corporate governance and oversight responsibilities, the assessment of nominations to the Board will be a function performed by current Board members. These functions include;

- * Review the appropriateness of the size of the Board relative to its various responsibilities and where necessary make recommendations to the Board to change the composition of the Board.
- * Review the appropriateness of the size of the Board Committees relative to its various responsibilities and where necessary make recommendations to the Board to change the composition of the Committees.
- * Review the overall composition of the Board and Board Committees, taking into account factors such as:
 - expertise of each board member
 - business experience
 - integrity
 - skills
 - breadth of experience
 - knowledge about the Company's business or industry
 - willingness to devote time and effort to the Boardand make appropriate recommendations as necessary. As such, the Committee shall determine the criteria, objectives and procedure for selecting new Board members.
- * Review and recommend to the Board the criteria for Board membership, including assessment of the necessary and desirable competencies of the Board members by using a board skills matrix.
- * The Board or its Committee shall review potential candidates for consideration. As such, the Board or its Committee shall evaluate and conduct appropriate inquiries into the backgrounds and qualifications of possible nominees.
- * Recommend to the Board, members of the Board to be designated as Chairperson of the Board's Committees.
- * Make recommendations to the Board in relation to appropriate performance criteria, for both the individual directors and full board acting as a collective body. This may include such items as level of director attendance, preparedness, participation and candor.
- * Review, develop and recommend to the Board if necessary, the criteria for determining director independence.
- * The Board or its Committee shall monitor the orientation and continuing education programs for directors.
- * The Board or its Committee shall develop and review any relevant succession plans.
- * When appointing a new director the Board or its Committee shall at all times act in accordance with the "Procedure for Selection and Appointment of New Directors".



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STATEMENT OF SELECTION AND APPOINTMENT OF NEW DIRECTORS

1. INTRODUCTION AND PURPOSE

This document outlines the procedure which the Board of Vietnam Industrial Investments Limited (“VII”) follows in appointing a new director.

2. PROCEDURE

Directors should ensure the Company is properly managed to protect and enhance shareholder value and to meet the Company’s obligations to shareholders, to the industry and the law. In carrying out this duty, the Board should always be mindful of the need for establishing a Board that enhances the efficient and effective running of the Company. The following procedure is followed in selecting and appointing a new director to the Board of VII:

- * The Board identifies the need for a new director. This should be based on determining whether there are an appropriate number of directors to allow for effective decision-making.
- * The Board identifies any potential candidates who will:
 - Compliment the current Board composition – ie. is there an appropriate mix of directors with financial expertise and relevant industry experience?
 - Have the required skills, knowledge and expertise to add value to the Board.
 - Provide the Board with further competencies and be able to provide independent and objective advice.
 - Ensure that the Board maintains at least 3 directors, with an appropriate number of non-executive and independent directors.
 - Have no material conflicts of interest with the Company.
 - Have a reputable standing in the industry.
 - Be able to commit the necessary time to their position – in general, the maximum number of directorships or equivalent positions for an individual should not exceed five, unless the director can clearly demonstrate that they have the time to commit to additional appointments. Each non-executive director should specifically acknowledge to the Company prior to appointment or being submitted for election that they will have sufficient time to meet what is expected of them.
 - The Board can use their networks or external consultants to identify potential candidates.



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- The procedure for the appointment of directors is to include the determination of the terms, conditions, responsibilities and expectations of the new position such that any potential candidate can fit the criteria which satisfies the objective of the additional appointment.
- Non-executive directors should be appointed for specific terms subject to re-election and to the ASX Listing Rules and Corporations Act provisions concerning removal of a director.
- Once the candidate/s have been agreed upon, they are to be approached in the upmost professional manner.
- Upon a candidate/s accepting nomination or appointment, the Board is responsible for ensuring that all proposed candidate/s nomination and appointment procedures comply with the corporate constitution and the Corporations Act.
- Where there is a choice to be made between well qualified candidates, the Board has a responsibility to shareholders to enable a fair and professional comparative assessment of the candidates' skills and experience in light of identified Board needs and to advise shareholders about the outcome of that assessment, with the objective that the election will result in the Board having the best mix of available skills to deal with the circumstances facing the Company. As such, the Board will in a notice of meeting recommend to shareholders eligible to vote, which candidate/s it considers will best fit the current identified needs of the Board. If there are "open" proxy votes, the chairperson of the meeting will exercise those votes in favor of the Board's recommended candidate/s.
- The ultimate decision about who is elected to the Board is to be made by the shareholders. Shareholders will be provided with all material information in the notice of general meeting relevant to a decision on whether or not to elect or re-elect a director.
- In the event that the Board has one candidate, the approval of their election at a general meeting must occur.
- The CEO is responsible for ensuring that the new Board member is inducted and that they have every opportunity to increase their knowledge about the Company to ensure that they can participate in an effective manner to the Board deliberations. This process is monitored by the Board.
- In the event that a director is not performing to accepted levels, the director will be required to resign.

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INDUCTION OF A NEW DIRECTOR

Following checklist provides a framework for an induction program for the new director to the Board of VII:

	Completed
Letter of Offer – formal written agreement to Director detailing terms of appointment, including duties, responsibilities, time commitment, remuneration - to be accepted by the new director;	
Copy of constitution;	
Confidentiality Agreement	
Key Corporate Information (address, telephone and fax numbers)	
Meet the other directors, the company secretary and senior management of the Company	
Latest Annual Report	
Directors/executive contact details	
Copies of recent announcements	
Board meeting schedules, previous board minutes of meetings	
Organisation Chart/Corporate Structure	
Policies and procedures, charter, code of conduct	
Corporate Governance Statement	
Personal development planning	
Understanding the nature of the organization, current issues – provided by Chairman	
Overview of the current business plans – provided by the Managing Director/CEO	
Site visits	
Disclosure of new director of his/her directorships in other listed companies	
Meet the external auditors	
Information to be obtained from incoming director:	
- Consent to act as a director	
- Completion of a standing disclosure document which records potential or actual conflicts of interests by virtue of positions (such as other directorships) or shares held in other companies	
- Undertakings in relation to notification of changes in directors' interests under the listing rule requirements	
- Name and former name, if applicable	
- Residential address	
- Date and place of birth	
- Contact information	
- Name of spouse/partner if applicable	
- Relevant current holdings in the Company	

Information about director's appointment include

Terms and conditions of appointment	
Term of office	
Fees and share schemes, if any	
Committee memberships	
Travel and reimbursement details	
Insurance cover – directors' travel	
Appointment to other boards	
Share trading guidelines and policies	
Agreed announcement of appointment – Appendix 3X	
Director-related policies (eg. Seeking legal advice)	



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The incoming director will meet with Company Secretary. The Current Director or Company Secretary is the best-placed to brief the new director on the governance processes of the Company and the Board.

The incoming director might also meet with the chair of the board during the induction process to discuss the processes of the board.

The incoming director is requested to provide with the opportunity to give feedback on the induction process and to ask and have clarified any further outstanding questions.

The Company should ensure that it continues to review their induction processes to ensure that all pertinent information is provided to directors.

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ROLE OF COMPANY SECRETARY

The role of the Company Secretary includes:

- Advising the Board and its committees on governance matters;
- Monitoring that the Board and committee policy and procedures are followed;
- Coordinating the timely completion and dispatch of board and committee papers;
- Ensuring that the business at board and committee meetings is accurately captured in the minutes; and,
- Helping to organize and facilitate the induction and professional development of directors.

Each director should be able to communicate directly with the Company Secretary and vice versa.

The decision to appoint or remove a Company Secretary should be made or approved by the Board.

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