



A.B.N. 64 063 656 333

**Vietnam Industrial Investments  
POLICIES MANUAL**

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## **REMUNERATION CHARTER AND POLICY**

### **1. CHARTER**

This Charter governs the operations of the Remuneration Committee. The Committee shall review and reassess the Charter at least annually and obtain the approval of the Board of Directors.

The ultimate responsibility for the Company's remuneration policy rests with the Board of Directors.

### **2. MEMBERSHIP**

\* The Committee shall be members of and appointed by, the Board of Directors and shall comprise at least three directors. The Committee should consist of majority of independent directors and is to be chaired by an independent director.

Members of the Committee shall be considered independent so long as they do not have any relationship with the Company that may interfere with the exercise of independent judgement.

If the remuneration committee includes an executive director, they should not be involved in deciding their own remuneration due to potential conflict of interests.

\* The only compensation shall be director's fees for services provided to the Remuneration Committee.

\* The Company Secretary will be the Secretary of the Committee.

### **3. MEETINGS**

The Committee shall meet at least once each year, with additional meetings when circumstances require, as determined by the Committee Chairperson.

#### **Convening and Notice of Meeting**

Any member may (and the Secretary must act upon a request from any member) convene a meeting of the Committee. Notice is to be given to every member of the Committee with no minimum notice period required and no necessity for acknowledgement of notice before the meeting may be validly held.

#### **Attendance**

Members of the Committee are expected to be present at all meetings. As necessary, the Chairperson of the Committee may request that members of management, consultants or others, which it may deem appropriate, be present at Committee meetings.

#### **Quorum**

Two members of the Committee shall constitute a quorum. In the event where only two members are present, the unanimous vote of the two members shall constitute an act of the Committee. Where the Committee comprises more than two committee members, the act of a majority of the members present will constitute an act of the Committee. The Chair of the Committee will not have a second or casting vote.



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**Minutes**

Proceedings and resolutions of the Committee meetings are minuted and signed by the Chairperson of the Committee. Minutes of all Committee meetings will be distributed to all Committee members and the Chair of the Board, after the Committee chair has been given the preliminary approval. Minutes, agenda and supporting papers will be made available to any director upon request to the secretary, providing no conflict of interest exists.

**4. PURPOSE, FUNCTION AND RESPONSIBILITY**

The Remuneration Committee shall provide assistance to the Board of Directors in fulfilling its corporate governance and oversight responsibilities. The main functions and responsibilities of the Remuneration Committee include the following:

**Remuneration**

- \* Responsible for determining the compensation arrangements for the directors, the Chief Executive Officer, the senior executives and employees. From this, recommendations are made to the Board for approval.
- \* Recommend to the Board the appointment of an external remuneration consultant.
- \* Seek advice from external remuneration consultant where the Remuneration Committee considers necessary or appropriate, in determining the executive remuneration.
- \* Responsible for reviewing all equity based plans, if any.
- \* Reviewing succession plans for senior management.

**Dealings with Remuneration Consultant**

The Committee should ensure all dealings with remuneration consultant comply with the requirements of the Corporations Act 2001 sections 206K – 206M.

Under the Corporations Act, the engagement of a remuneration consultant that provides remuneration recommendation on key management personnel (KMP) must be approved by the Board or remuneration Committee. The remuneration consultant must provide the recommendation directly to the non-executive directors or the remuneration committee rather than to the Company executives. The remuneration recommendation is not provided to a person who is neither a director of the Company or a member of the Remuneration Committee. The remuneration consultant must include with their recommendation a declaration as to whether their remuneration recommendation is made free from undue influence by the KMP to which the remuneration relates.

In addition, the Board must disclose in the Annual Directors' Report:

- A statement that a remuneration recommendation was made by the consultant, including the amount and nature of consideration payable;
- A statement whether the remuneration consultant provided other kinds of advice during the period, and disclose the nature and amount of consideration payable for that other advice;
- Information about the arrangements the company made to ensure that the making of the remuneration recommendation would be free from undue influence by members of KMP to which the recommendation relates; and
- A statement about whether the Board is satisfied that the remuneration recommendation was made free from such undue influence, and the board's reasons for being so satisfied.



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**5. DELEGATED RESPONSIBILITY**

The Committee may form and delegate authority to subcommittees when appropriate.

**6. OTHER DUTIES**

The Committee is responsible for organizing, reviewing and reporting on any special reviews or investigations deemed necessary for the Board.

**7. REMUNERATION POLICY**

This Policy governs the operations of the Remuneration Committee. The Committee shall review and reassess the Policy at least annually and obtain the approval of the Board of Directors.

**Overall Director Remuneration**

No individual director or senior executive should be involved in deciding his or her own remuneration.

Under the ASX Listing Rules, the Company is required to obtain shareholder approval for the issue of securities to directors or their associates under any equity-based incentive scheme.

The Company may find it useful to submit to shareholders any proposed equity-based incentive scheme which will involve the issue of securities to senior executives or other employees prior to implementing it.

The Company does not permit participants (directors, senior executives, other employees) to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Corporation Act prohibits the key management personnel of an ASX listed entity established in Australia or a closely related party of such personnel from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their equity-based remuneration that either has not vested or has vested but remains subject to a holding lock.

**Executive Remuneration**

***Main Principles***

The Remuneration Committee's reward policy reflects its obligations to align executive directors' remuneration with shareholders' interests and to engage appropriately qualified executive talent for the benefit of the Group. The main principles of the Policy are:

- \* Reward reflects the competitive global market in which the Company operates.
- \* Individual reward should be linked to performance criteria.
- \* Executives should be rewarded for both financial and non-financial performance.



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***Elements of Remuneration – Executive Directors/Senior Executives***

The Executive Director/Senior Executive's total remuneration consists of the following:

- \* Salary – each Executive Director/Senior Executive receives a fixed sum payable monthly in cash.
- \* Bonus – each Executive Director/Senior Executive is eligible to a performance based or discretionary bonus scheme if deemed appropriate.
- \* Long Term Incentives – each Executive Director may participate in share option schemes with the approval of shareholders. The Committee's policy is that at each exercise date of the options, a review of the performance of a director holding options must be undertaken to ensure that it is appropriate that the options can be exercised. A recommendation must be forwarded to the Board and the Board must ratify the exercising of any options.
- \* Other benefits – Executive Directors are eligible to participate in superannuation schemes.

***Elements of Remuneration - Non-Executive***

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Remuneration Committee recommends the actual payments to directors and the Board is responsible for ratifying any recommendation if appropriate. The maximum aggregate remuneration approved for directors is currently \$500,000. Non-Executive Directors should be remunerated by way of cash fees and if any, superannuation contributions.

Non-Executive Directors have previously been entitled to participate in equity based remuneration schemes however this policy will be reviewed should future equity based remuneration schemes be established.

Non-Executive Directors are entitled to a retirement benefit as outlined below.

Directors are entitled to have their indemnity insurance paid by the Company.

**Retirement Benefit – Directors and Employees**

Directors and employees will be entitled to a retirement benefit which is payable for retirement, resignation and termination, for any reason other than termination due to willful misconduct.

The retirement benefit entitlement is based upon two weeks of salary for each full year of service and where the director or employee is aged 45 or over at retirement or termination, an additional one half weeks pay for each year of service, or if aged 55 or over at termination or retirement an additional one weeks pay for each year of service.

Retirement benefits are in addition to any accrued statutory annual leave and long service leave entitlements accrued by employee and superannuation shall be payable on the retirement benefits.

The total payment to a director or an employee on retirement or termination (retirement benefits, plus annual and long service leave entitlements) may not exceed the Corporations Act limits.

**8. REMUNERATION DISCLOSURES**

The Company is required under the Corporations Act to make detailed disclosure in its remuneration reports of their remuneration policies for key management personnel. Those reports are subject to an advisory vote by shareholders and a two-strikes rule.



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**9. REVIEW**

The Committee will conduct reviews of the Charter every two years or more frequently to ensure that the Charter continues to reflect the current processes and latest ASX Corporate Governance Principles. The Board will need to approve any amendments to the Charter that stem from the review.

**Effective Date: 1 January 2015**