



A.B.N. 64 063 656 333

Vietnam Industrial Investments Limited
POLICIES MANUAL

BOARD CHARTER

1. INTRODUCTION AND PURPOSE

This statement summarise 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:

- * Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer (“CEO”) and senior management;
- * Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- * Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- * Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- * Satisfying itself 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 itself 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; and
- * Reporting to and advising shareholders.



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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 is accountable to the Board for all authority delegated to that position.

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 Committee; and
 - Remuneration Committee
- * As outlined above, the Board oversees the strategic direction of the Company.
- * As outlined above, the Board approves all budgets of its consolidated entities.
- * The Board receives detailed board papers on a monthly basis showing the monthly and year to date performance of all aspects of the Company, compared to budget.
- * 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.

Nomination

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.
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- * 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.
- * The Committee shall review potential candidates for the Board and report on the candidates and results to the Board for consideration. As such, the 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 Committee shall monitor the orientation and continuing education programs for directors.
- * The Committee shall develop and review any relevant succession plans.
- * When appointing a new director the 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.

The current size of the VII Board is five (5) directors comprising of the following:

- * Mr A Hambly (Chairman and Non-Executive Director)
- * Mr A Young (Managing Director and Chief Operating Officer)
- * Mr H Lam (Managing Director – Vietnam Operations)
- * Mr M Clements (Non-Executive Director and Company Secretary)
- * Mr R Kwok (Non-Executive Director)
- * Mr C Martin (Alternate Director for Mr Hambly)

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; and
- * 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.
- 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.
- The chairperson of the Remuneration Committee is responsible for ensuring that all appropriate documentation in relation to the appointment is finalised. This includes such items as minutes, voting and contract.
- In the event that a director is not performing to accepted levels, the director will be required to resign.