



A.B.N. 64 063 656 333

**Vietnam Industrial Investments
POLICIES MANUAL**

RISK MANAGEMENT CHARTER

1. INTRODUCTION

This Charter shall govern the risk management operations of the Board of Vietnam Industrial Investments Limited (**VII** or the **Company**).

2. PURPOSE

Oversee the management of business risks with a view to enhancing the value of shareholders' investments and safeguarding assets.

Provide an efficient and effective mechanism to offer the transparency, focus and independent judgement needed to oversee the Company's risk management framework.

3. ROLE

Assist the Board in the Company's governance and exercise due care, diligence and skill in relation to risk assessment, treatment and monitoring to ensure that any identified risk is reduced to an acceptable level.

Assist the Board to increase its knowledge and understanding of risks which may:

- prevent the Company from achieving its goals and objectives;
- impact the health, safety or welfare of employees, visitors and others in respect of the Company operations;
- impact compliance with the Company's regulatory or legal obligations;
- affect the environment in which the Company operates;
- impact on the Company's reputation; and
- result in personal liability for Company directors arising from the Company operations.

4. RESPONSIBILITIES

Implementation of the following practices in relation to risk management:

Monitoring Risk

- Identify and manage potential or apparent business, economic, environmental and social sustainability risks;
- Review the Company's risk appetite with respect to the abovementioned risks;
- review and assess the likelihood of occurrence and severity of the impact in the event an identified risk materialises;
- review and assess the compliance and effectiveness of risk treatment and mitigation strategies of the Company; and
- review internal communication and control systems to ensure risk-related information is conveyed to personnel in a timely manner.



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Internal Control Systems and Risk Management Framework

- Assess the internal control systems and risk management framework and regularly review its effectiveness;
- ensure the internal control processes have been designed to meet the Company's specific needs and the risks to which it is exposed;
- ensure the Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**) are reasonably able to provide formal representations to the Board under S.295A of the Corporations Act 2001 confirming that the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control system is operating efficiently in all material respects; and
- review the Company's insurance program, having regard to the Company's operations and the insurable risks associated with its business.

5. ADMINISTRATION

Initially, the Company's risk management operations will be overseen by a minimum of two (2) directors, one (1) of which must be a non-executive director.

All risk related records and reports or recommendations will be prepared and kept by the Company Secretary.

Risk management meetings will be held as frequently as is necessary to undertake the risk management role effectively. In addition, it is intended to include a risk management agenda item for every Board meeting.

6. REVIEW AND EVALUATION

The Board will review the risk management operations of the Company annually and must consider financial, operational and compliance and risk controls. The Board may also from time to time consider undertaking an external, independent review where necessary.

The Board will also review this Risk Management Charter (**Charter**) annually. Where necessary, the Board may by resolution, alter the Charter or formalise the responsibilities, functions and/or membership of any Committee established to oversee risk management.

Effective Date: 1 January 2016