

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

<b>VIETNAM INDUSTRIAL INVESTMENTS LIMITED</b>
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ABN / ARBN

<b>64 063 656 333</b>
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Financial year ended:

<b>31 DECEMBER 2016</b>
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Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

X Attached to this Appendix 4G after the Annexure.

X This URL on our website: [www.vii.net.au/Governance/Appendix4G](http://www.vii.net.au/Governance/Appendix4G)

The Corporate Governance Statement is accurate and up to date as at 28 March 2017 and has been approved by the board. The annexure includes a key to where our corporate governance disclosures can be located.

Date: 29 March 2017

Name of ~~Director or~~ Secretary authorising  
lodgement:



Patricia Williams – Company Secretary

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<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> “Corporate governance statement” is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity’s corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes “OR” at the end of the selection and you delete the other options, you can also, if you wish, delete the “OR” at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at www.vii.net.au/Governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at www.vii.net.au/Governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at www.vii.net.au/Governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at www.vii.net.au/Governance</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: X in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): X in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and the length of service of each director: X in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: X in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: X in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: X in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: X in our Corporate Governance Statement <b>OR</b> X at <a href="http://www.vii.net.au/Governance">www.vii.net.au/Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.vii.net.au/Governance">www.vii.net.au/Governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: X in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: X in our Corporate Governance Statement <b>OR</b> X at www.vii.net.au/Governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: X at www.vii.net.au/Governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: X in our Corporate Governance Statement <b>OR</b> X at www.vii.net.au/Shares/ShareholderCentre and www.vii.net.au/ContactUs	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: X in our Corporate Governance Statement <b>OR</b> X at www.vii.net.au/Governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: X in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	X an explanation why that is so in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	X an explanation why that is so in our Corporate Governance Statement



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.vii.net.au/Governance">www.vii.net.au/Governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.vii.net.au/Governance">www.vii.net.au/Governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

# CORPORATE GOVERNANCE STATEMENT

## CORPORATE GOVERNANCE STATEMENT

This document outlines Vietnam Industrial Investments Limited's Corporate Governance practices that were in place throughout the financial year, unless otherwise stated. The following information about the Company's Corporate Governance practices is set out on the Company's website at [www.vii.net.au](http://www.vii.net.au).

### **Principle 1: Lay solid foundations for management and oversight**

#### **Role of the Board**

The Board's primary role is the protection and enhancement of long-term shareholders value. To fulfil this role, the Board is responsible for the overall corporate governance of the consolidated entity, including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems.

It is also responsible for approving and monitoring financial and other reporting. The Board Charter are set out in the Company's website.

The Board has delegated responsibility for operation and administration of the Company to the Managing Director and senior executives.

#### **Composition of the Board**

The Board as at the date of this report are:

Mr Roger (Sing-Leong) Kwok, *Independent Non-Executive Director and Chairman (length of service more than 9 years)*  
Mr Lam Van Hung (Henry), *Managing Director (Chief Executive Officer) (length of service more than 21 years)*  
Mr Alan Alexander Young, *Non-Executive Director (length of service more than 19 years in an executive capacity and two years as a non-executive director)*  
Mr Andrew David Walker, *Independent Non-Executive Director (length of service more than 5 years)*  
Mr Jonathan Heath Stuart Murray, *Independent Non-Executive Director (length of service more than one year)*  
Mr Michael Douglas Mann AM *Independent Non-Executive Director (length of service more than two months)*

The names, skills, experiences, expertise, and appointment dates of the directors of the Company in office at the date of this report are set out in the Directors' Report included in the Annual Report 2016.

The composition of the Board is determined using the Statement of Selection and Appointment of New Directors contained in the Board Charter. The Company has adopted this policy which outlines the procedures it follows for the selection and appointment for new directors. Appropriate checks of candidates are undertaken before the appointment of a new director.

All Directors and senior executives' written agreements with the Company are subject to review. This is a departure from ASX Corporate Governance Principle 1.3.

#### **Independent Professional Advice and Access to Company Information**

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairperson, may seek independent professional advice from a suitably qualified adviser at the consolidated entity's expense. A copy of the advice received by the director must be made available to all other members of the Board

#### **Term of office**

The Company's constitution specifies that all Directors (with the exception of the Managing Director, Mr Lam) must retire from office no later than the third annual general meeting following their last election. Where eligible, a Director may stand for re-election.

Shareholders are provided with all material information in the Notice of Annual General Meeting in order for them to make an informed decision on whether or not to elect or re-elect a director.

#### **Board Succession Planning**

The Board reviews the size and composition of the Board and the mix of existing and desired competencies across members from time to time.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### Role of the Company Secretary

The Company Secretary is responsible for the coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, ASX and all statutory and other filings.

Each Director of the Company is able to communicate directly with the Company Secretary and vice versa.

### Performance evaluation

The assessment of the Board's overall performance is conducted by the directors informally and on an ongoing basis which includes evaluation of the non-executive directors and the Chief Executive Officer and an assessment of the composition and skill matrix of the directors of the Company. The Board considers that this current approach with regards to the review of its performance provides the best guidance and value to the Group given the size. The Company does not have in place a formal performance evaluation made for the Board, individual directors and its Audit Committee during the year.

No formal performance evaluations were performed for senior executives during the year.

### Diversity in the Company

The Company and all its related bodies corporate are committed to workplace diversity.

The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

The Diversity Policy does not impose on the Company, its directors, officers, agents or employee any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

The Company has established a diversity policy which does not include the measurable objectives for achieving diversity at the Board level or its relevant committee. The diversity policy may be viewed at the Company's website ([www.vii.net.au](http://www.vii.net.au)).

Although the Company supports the recommendation contained in the ASX Corporate Governance Principles and Recommendation, it does not follow the recommendations requiring the Company to disclose in the annual report the measurable objectives for achieving gender diversity to be set by the Board as each of the Company's subsidiaries employs qualified individuals required for its organisation.

### Diversity Annual Reporting

The Company's annual reporting on the number and percentage of females in the organisation is as follows:

	Number of females	Percentage of females
Representation in the Board	Nil	Nil
Representation in senior management of the Group	9	45%
Representation throughout the Group	78	12%

# CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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## Principle 2: Structure the Board to add value

### Nomination Committee

The Board has not established a separate Nomination Committee as a sub-committee. 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 Board Charter setting out the responsibilities of the Board. Having regard to the number of members currently comprising the Company's Board, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee of the Board. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

### Board Matrix

The Board has identified its skills set as follows:

- Strategic planning
- Business management
- Industry knowledge
- Governance and compliance
- Legal
- Finance and accounting
- Investor Relations (including public affairs and communications)
- Steel manufacturing operations
- Ethics
- People skills
- Project management
- Risk management
- Performance management

Full details as to each Director's relevant skills and experience are available in the Company's Annual Report 2016 and on the Company's website.

### Independence of Directors

The Board recognises the value of independence and has established clear protocols for handling conflicts of interests. At the board meetings, directors are required to advise the Board of any interests they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence.

In 2016, the Board had five directors. During 2016, three of the five directors are considered to be independent, one is an executive director and another one is a non-independent non-executive director. On 17 January 2017, Mr Michael Douglas Mann AM was appointed as independent non-executive director of the Company.

In considering the independence of directors, the Board refers to the Independence Criteria as set out in Box 2.3 of the ASX Principles and Recommendations.

#### ***Mr Roger (Sing-Leong) Kwok - Independent Non-Executive Director and Chairman***

The Board considers Mr Kwok who served on the Board during the year ended 31 December 2016 as an independent non-executive director. During the year, the Company leased an office space in Arcadia Group Pty Ltd, an entity which Mr Kwok is a Managing Director and a shareholder. Also, Arcadia Group Pty Ltd provided bookkeeping services to the Company. The Board considers that there is no potential conflict of interests, and he is capable of and demonstrates that he consistently makes decisions and takes actions for the best interest of the Company.

#### ***Mr Lam Van Hung (Henry) - Managing Director***

The Board does not consider Mr Lam to be independent as he is an executive employee of the Company.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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### ***Mr Alan Alexander Young- Non-Executive Director***

Mr Young is a non-executive director and is not considered independent as he was previously employed by the Company in an executive capacity for more than 19 years.

### ***Mr Andrew David Walker- Independent Non-Executive Director***

Mr Walker is considered to be independent non-executive director.

### ***Mr Jonathan Heath Stuart Murray - Independent Non-Executive Director (appointed on 19 January 2016)***

The Board considers Mr Murray who served on the Board during the year ended 31 December 2016 as an independent non-executive director. During the year, the Company obtained a case by case legal services of Mr Murray's legal firm under commercial terms and conditions. The Board considers that there is no potential conflict of interests, and he is capable of and demonstrates that he consistently makes decisions and takes actions for the best interest of the Company.

### ***Mr Michael Mann - Independent Non-Executive Director (appointed on 17 January 2017)***

Mr Mann is considered to be independent non-executive director.

The Board considers that it is appropriately structured to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and day-to-day operations perspective.

Under the Company's Code of Conduct, all directors have agreed not to participate in any conflicting decisions. The Board is of the view that it has an appropriate independent representation and maintained sufficient experience for the Board to fulfil its responsibilities.

### **Chairman and Managing Director**

The roles of Chairman (Mr Kwok) and Managing Director (Mr Lam) are separated. The roles and responsibilities are set out in the Company's Board Charter and Code of Conduct.

### **Induction Program**

Newly appointed-directors will be provided with an induction program designed to familiarise the new director with the operations of the Company and their obligations so that they may perform their role as director effectively. New directors will be provided with the opportunity to visit the Company's operations and meet with senior executives.

### **Professional Development Opportunities**

During the year, the Directors were encouraged to attend seminars to develop and maintain the skills and knowledge needed to perform their role as directors effectively. The Directors receive regularly updates via email on the latest developments financial reporting. The Directors attend, on behalf of the Company and otherwise, technical and commercial seminars and industry conferences which enable them to maintain their understanding of industry matters and technical advancements.

### **Principle 3: Act ethically and responsibly**

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. Every employee has a senior executive to whom they may refer any issues arising from their employment. The Board reviews the ethical standards related policies regularly and processes are in place to promote and communicate these policies.

### **Conflict of Interest**

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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### Code of Conduct

The consolidated entity has advised each director, senior executive and employee that they must comply with the Company's Code of Conduct. The Code may be viewed at the Company's website ([www.vii.net.au](http://www.vii.net.au)), and it includes the following:

- the pursuit of the highest standards of ethical conduct in the interests of shareholders and other stakeholders;
- usefulness of financial information by maintaining appropriate accounting policies and practices and disclosure;
- compliance with all legislation affecting the operations and activities of the consolidated entity, both in Australia and overseas;
- conflicts of interest;
- corporate opportunities such as preventing directors and key executives from taking advantage of property, information or position for personal gain;
- confidentiality of corporate information;
- protection and proper use of the Company's assets;
- compliance with laws; and
- reporting of unethical behaviour.

### Trading in the Company's Securities by Directors and Employees

Directors and employees, including Key Management Personnel, must not trade in the Company's securities, or in financial products issued or created over or in respect of the Company's securities, during a Closed Period.

Closed Period means:

- the period that is within two weeks prior to the publication of the Company's annual results (or, if shorter, the period from its financial year end to the time of publication);
- the period that is within two weeks prior to the publication of the Company's half year results (or, if shorter, the period from its half year end to the time of publication);
- the period that is within two weeks prior to the announcement of its quarterly results, if any (or, if shorter, the period from the relevant financial period end up to and including the time of the announcement);

The Company may at its discretion vary this rule in relation to a particular period by general announcement to all employees either before or during the period.

However, if a Director or employee of the Company is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at any time.

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company.

The Securities Trading Policy may be viewed at the Company's website ([www.vii.net.au](http://www.vii.net.au)).

### Principle 4: Safeguard integrity in corporate reporting

#### Audit Committee

The Audit Committee has a documented charter approved by the Board. All members of the Audit Committee must be non-executive directors, consists of majority of independent directors, is chaired by an independent director and must have at least three members. The committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the consolidated entity.

Members of this Committee during the financial year were:

Mr Andrew David Walker, *Independent Non-Executive Director (Chairman)*

Mr Roger (Sing-Leong) Kwok, *Independent Non-Executive Director*

Mr Jonathan Heath Stuart Murray, *Independent Non-Executive Director (appointed as Audit Committee member on 25 August 2016)*

As the Company is not an S&P All Ordinaries Top 300 Companies, it is exempt under ASX Listing Rule 12.7 from maintaining an Audit Committee. However, the Company continues to have an Audit Committee as a principle of best practice.

Three meetings of the Audit Committee were held during the reporting period.



## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

For the year ended 31 December 2016, the number of meetings at which Audit Committee members were in attendance is as follows:

	<b>Audit Committee Meetings</b>	
	<b>No. of meetings held while in office</b>	<b>Meetings attended</b>
A. D. Walker	3	3
R. S. L. Kwok	3	3
J.H.S. Murray	1	1

The external auditors and directors are invited to Audit Committee meetings at the discretion of the Committee. The Audit Committee meets as required. The qualifications and attendance of meetings of the Audit Committee are disclosed in the Directors' Report.

Mr Lam, Managing Director (Chief Executive Officer) and Mrs Williams, Company Secretary and Group Accountant (equivalent Chief Financial Officer) declared in writing to the Board that the Company's financial reports for the year ended 31 December 2016 and the half-year report for the period 30 June 2016 present a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with relevant accounting standards.

The Audit Committee's charter is available on the Company's website ([www.vii.net.au](http://www.vii.net.au)).

### **Responsibilities of the Audit Committee**

The responsibilities of the Audit Committee include reporting to the Board on:

- reviewing the annual and half-year financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and generally accepted accounting principles, and assessing whether the financial information is adequate for shareholder needs;
- assessing corporate risk assessment processes;
- reviewing the Company's policies and procedures in accordance with International Financial Reporting Standards;
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence.
- reviewing the appointment and performance of the external auditor;
- assessing the adequacy of the internal control framework and the Company's code of conduct; and
- monitoring the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements.

The Audit Committee reviews the performance of the external auditors on an annual basis and normally meets with them during the year to:

- discuss the audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements;
- review the half-year and preliminary final report prior to lodgement with the ASX, and any other significant adjustments required as a result of the auditor's findings and to recommend Board approval of these documents, prior to announcement of results; and
- review the draft financial report and recommend Board approval of the financial report.

Information on procedures in relation to these matters may be viewed in the Audit Committee Charter on the Company's website ([www.vii.net.au](http://www.vii.net.au)).

### **External Auditor**

Ernst & Young, who are the current external auditors, have an Independence policy of rotating the audit partner at least every 5 years. Mr Michael Hoang is current lead engagement partner and was appointed in 2015.

Ernst & Young's representative is requested to attend the annual general meeting to answer any questions concerning the audit and the content of the auditor's report, accounting policies adopted by the Company, and the independence of the auditor in relation to the conduct of the audit. The Company's external auditor attended the Company's 2016 AGM.

# CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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## Principle 5: Make timely and balanced disclosure

### Continuous Disclosure to ASX

The Company's shares are listed on the ASX and as such the Company is required to comply with the continuous disclosure requirements set out in the ASX Listing Rules. The Managing Director is responsible for interpreting the Company's policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX. Such matters are advised to the ASX on the day they are discovered. The directors and all senior executives are responsible for monitoring the Group's internal and external environment for information or events potentially requiring disclosure.

In order to ensure that the Company meets its obligations with regard to the continuous disclosure requirements, the Company has adopted a Continuous Disclosure Policy.

The Continuous Disclosure Policy sets out the Company's obligations and its policies and procedures to ensure timely and accurate disclosure of price sensitive information to the market. The detail of this policy is available on the Company's website ([www.vii.net.au](http://www.vii.net.au)).

## Principle 6: Respect the rights of security holders

### Communication with Shareholders

The Board provides shareholders with information using a Communication with Shareholder Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website, and issuing media releases. More details of the policy are available on the Company's website ([www.vii.net.au](http://www.vii.net.au)).

The Communication with Shareholder includes:

- the annual report is distributed to shareholders (upon election), including relevant information about the operations of the consolidated entity during the year, changes in the state of affairs and details of future developments. The annual report is posted on the Company's website;
- the half-yearly report and preliminary final report contain summarised information and a review of the operations of the consolidated entity during the period. The half-year reviewed financial report and full year audited financial report are lodged with the Australian Securities and Investments Commission through the ASX, and sent to any shareholder who requests a copy. The half-yearly reports and preliminary final reports are posted on the Company's website in the Financial Report page;
- all announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX;
- transcripts of analyst and media presentations are placed on the Company's website, if any;
- the facilitation of two-way communication with shareholders and investors through the use of telephone, facsimile and email. The Company's contact details are in the Corporate Directory of the Annual Report and on the Company's website.
- the external auditor is requested to attend the annual general meeting to answer any questions concerning the audit and the content of the auditor's report; and
- the contact details for the Company's security registry are available on the Company's website.

## Principle 7: Recognise and manage risk

A separate Risk Management Committee has not been established during the year. However the Company has a documented Risk Management Charter approved by the Board. The Board oversees the establishment, implementation and review of the Company's risk management system. The Managing Director/CEO is responsible for reviewing the operations of the Group's activities to ensure that material business risks are identified, understood, accepted or rejected, mitigated where it is practical to do so and are subject to ongoing review and management. The Managing Director/CEO reports to the Board areas of risk management and associated compliance and controls which are continually reviewed given the current economic climate.

The Company did not have a formal group risk management framework during the year. However, the based on reviews of VII's business, any identified material risks are periodically brought to the attention of the Board of Directors or the Audit Committee, generally in the format of a Board meeting. A process is established for dealing with such risks. The Company and its subsidiaries have procedures to identify, mitigate and manage material risks.

The Company does not currently have an internal audit function. This function is undertaken by the full Board and its Audit Committee. The Board will reconsider the appropriateness of adopting an internal audit function as the Company's operations grow and evolve.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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The Board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities. The consolidated entity has established a system of internal controls which takes account of key business exposures. The system is designed to provide reasonable assurance that assets are safe-guarded, proper accounting records are maintained and financial information is reliable. The system is based upon detailed financial and operating reporting, written procedures, policies and guidelines, organisational structures that provide an appropriate division of responsibility and the careful selection and training of qualified personnel.

While the Company does not have an internal audit function, other internal controls are in place:

- The Company's Audit Committee oversees the adequacy and effectiveness of the Company's accounting and financial policies and controls, including periodic discussion with management and external auditors, seeking assurance of compliance with statutory requirements;
- Individual business units are responsible for integrating risk management framework within their business processes and systems;
- Individual business units have internal control systems to manage their business risks and report to their Board of Management on whether those risks are being managed effectively;
- High level internal audit reviews were performed and noted appropriate segregation of duties were in place.
- The General Directors and Chief Accountants of the business units declared in writing that there is a sound system of risk management and internal control which is operating effectively.

The Company does not currently have any material exposure to economic, environmental or social sustainability risks.

Although not currently prescribed under the Company's Corporate Governance Policies and Procedures, the Company will disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks in future Corporate Governance Statements or its Annual Report and on its ASX website, as part of its continuous disclosure obligations.

The Audit Committee Charter requires the Audit Committee to assist and engage with the Board in relation to systems of risk management and the effectiveness of internal controls generally. The Board has also recently resolved to establish a Risk Management Charter. Although not initially intended to be constituted by a formal committee, the purpose of the Charter will be to establish a terms of reference to assist the Board with the ongoing identification and management of business risks.

### **Principle 8: Remunerate fairly and responsibly**

#### **Remuneration Committee**

During the year, the Company did not have a separate Remuneration Committee in accordance with Recommendation 8.1 and therefore, there are no Remuneration Committee members. The Company has a documented Remuneration Charter approved by the Board. Under the Remuneration Charter, the Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the managing directors, senior executives and directors themselves. This role also includes responsibility for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefit policies and professional indemnity and liability insurance policies. However, during the year, the Board performed the role of the Remuneration Committee to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and day-to-day operations perspective. The Board considers that the responsibility for the selection and appointment of Directors can be adequately discharged by the Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. The Board is vested with the responsibility to review the remuneration packages and policies (including remuneration, incentives, termination policies and superannuation arrangements) applicable to each of the Directors and the Company Secretary. The Board obtains independent advice on the appropriateness of remuneration packages, if necessary. Remuneration levels are competitively set to attract the most qualified and experienced Directors for the benefit of the Company and Shareholders. The policies and practices regarding the remuneration of non-executive directors and remuneration of executive directors and other senior executives are in the Remuneration Charter may be viewed at the Company's website ([www.vii.net.au](http://www.vii.net.au)).

The 2016 remuneration of executive directors and non-executive directors and senior executives are disclosed in the Remuneration Report contained in the Company's Annual Report for each financial year.

The Company has not implemented a policy on equity-based remuneration scheme and Recommendation 8.3 is therefore not applicable. Should the Company later implement an equity-based remuneration scheme, it will reassess the need for such a policy.