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## TERMS OF REFERENCE OF THE AUDIT AND RISK COMMITTEE

These Terms of Reference were adopted by the Board of Directors ("Board") of VietNam Holding Ltd (the "Company") on 7 February 2020

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### 1. CONSTITUTION AND AUTHORITY

- 1.1 The Committee has been established by the board of Directors of the Company ("Board") in accordance with the Company's Articles of Incorporation and the AIC Code of Corporate Governance ("AIC Code").
- 1.2 The Committee is authorised to investigate and undertake any activity within these terms of reference. It is authorised to seek any information it properly requires in order to perform its duties from any employee of the Company, its service providers or any subsidiary undertaking of the Company ("Group"). All such employees are directed to co-operate with any such request made by the Committee.
- 1.3 If the Committee considers it necessary so to do, it is authorised to obtain appropriate external professional advice including, without limitation, legal and accounting advice to assist it in the performance of its duties, to secure the services of outsiders with relevant experience and expertise. The cost of obtaining such advice or services shall be borne by the Company within such limits as may be authorised by the Board from time to time.
- 1.4 Each member of the Committee shall disclose to the Committee:
  - 1.4.1 any personal, financial or other interest in any matter to be decided by the Committee; or
  - 1.4.2 any potential conflict of interest arising from a cross-directorship or otherwise; and
  - 1.4.3 any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.

### 2. COMPOSITION AND MEETINGS

- 2.1 The Chair of the Audit and Risk Committee, shall be an independent non-executive director, who shall be appointed by the Board.
- 2.2 The Committee shall be appointed by the Board in consultation with the Chair of the Audit and Risk Committee, and shall comprise at least three independent non-executive Directors. The Chair of the Board may be a member of the Committee but may not act as the Committee Chair. At least one member of the Committee shall have recent and relevant financial experience. The Committee as a whole shall have competence relevant to the sector.
- 2.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the director remains independent.
- 2.4 The Committee shall meet at least twice each year, to review the drafts of the Annual and Half Year Reports of the Company, for audit planning purposes and review of risks relevant to Company and at such other times as may be required. The quorum for any meeting of the Committee shall be two Members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 2.5 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.
- 2.6 The Committee may ask any other director, and any relevant senior member of staff from the Investment Manager or Administrator to attend meetings either regularly or by invitation, but such persons have no right of attendance.
- 2.7 In the event of an equality of votes, the Chair of the Committee shall have a second or casting vote. In the absence of the Chair or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 2.8 The Company Secretary or its representative shall be secretary of the Committee.



### **3. DUTIES**

The Committee shall carry out the duties set out below

#### **3.1 Principal Responsibilities**

The principal responsibilities of the Committee are:

- 3.1.1 to monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, and to review significant financial reporting judgments contained in them;
- 3.1.2 to review the Company's internal financial controls and the internal control and risk management systems of the Company and its third party service providers;
- 3.1.3 to make recommendations to the Board in relation to the appointment, appointment and removal of the external auditor and their remuneration and terms of engagement;
- 3.1.4 to review and monitor the external Auditor's independence and objectivity and the effectiveness of the audit process; and
- 3.1.5 to develop and implement policy on the engagement of the external auditor to supply non-audit services and taking into account relevant guidance regarding the provision of non-audit services by the external audit firm.

The Committee shall report to the Board on how it has discharged its responsibilities.

#### **3.2 Financial Reporting**

The Committee shall:

- 3.2.1 where requested, provide advice to the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy;
- 3.2.2 review the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, Announcements of Results and related formal statements;
- 3.2.3 consider significant accounting policies and whether the policies adopted are appropriate, any changes to them and any significant estimates and judgements;
- 3.2.4 review the adequacy and scope of the external audit, compliance with regulatory and financial reporting requirements, the clarity and completeness of disclosures in the financial statements and consider whether the disclosures made are set properly in context;
- 3.2.5 satisfy itself that the Annual and Half Year Reports and any other significant published financial information are properly and carefully prepared and give a fair representation of the Company's affairs;
- 3.2.6 review, and seek clarification on, any changes in accounting policy or treatment affecting the Company's report and accounts;
- 3.2.7 review all material information presented with the financial statements, including the strategic report, and corporate governance statements relating to the audit and to risk management; and
- 3.2.8 consider any other topic as deemed necessary.

#### **3.3 Internal Controls and Risk Management Systems**

The Committee shall:

- 3.3.1 review the reports on the internal controls of the Company's service providers which identify the risk management systems in place for assessing, managing and monitoring risks applicable to such service providers;
- 3.3.2 establish a process for identifying, assessing, managing and monitoring the risks which may have a financial impact on the Company;
- 3.3.3 review reports on the conclusions of any testing carried out by the external Auditors; and
- 3.3.4 review and approve the statements included in the Annual Report in relation to internal control and the management of risk.



### 3.4 Whistleblowing

The Committee shall, from time to time, review:

- 3.4.1 the arrangements by which staff of the Investment Manager and Administrator and other service providers as the Committee sees fit may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and satisfy itself that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action;
- 3.4.2 the Company's procedures for detecting fraud;
- 3.4.3 the Company's systems and controls for the prevention of bribery and tax-evasion and receive reports on non-compliance;
- 3.4.4 the adequacy and effectiveness of the Company's anti-money laundering systems and controls; and
- 3.4.5 the adequacy and effectiveness of the Company's compliance function.

### 3.5 Audit

#### *Internal*

- 3.5.1 The Committee, annually, shall monitor and review the need for an internal audit function, and make an appropriate recommendation to the Board.

#### *External*

The Committee shall:

- 3.5.2 be responsible for making recommendations to the Board on the appointment, reappointment and removal of the Company's Auditors and on their terms of engagement and remuneration;
- 3.5.3 meet annually with the Auditors to review the annual results and to discuss any major issues that arose during the course of the audit;
- 3.5.4 satisfy itself that the level of fee payable in respect of the audit services provided is appropriate for an effective audit to be conducted;
- 3.5.5 review and if necessary, seek amendments to the Letter of Representation to be given by the Board to the Auditors;
- 3.5.6 review and discuss with the Auditors a) their engagement letter issued at the start of each audit, ensuring that it has been updated to reflect changes in circumstances arising since the previous year, and b) the scope of the audit process proposed to be undertaken by the Auditors;
- 3.5.7 annually, assess the qualification, expertise, resources and independence of the external auditors and the effectiveness of the audit process;
- 3.5.8 develop and recommend to the Board, the Company's policy on the provision of non- audit services by the Auditors;
- 3.5.9 consider and if appropriate approve all non-audit work to be carried out by the Auditors and, where non-audit services are provided, ensure that the relevant disclosures are made in the Annual Report regarding auditor objectivity, independence and the fees paid for non-audit work;
- 3.5.10 oversee the selection process when conducting audit tenders and appointing new external auditors; and
- 3.5.11 at the end of the annual audit cycle, assess the effectiveness of the audit process.

### 3.6 Reporting

The Committee shall disclose the workings of the Committee in the Annual Report and ensure that the Annual Report contains the Directors' explanation of their responsibility for preparing the accounts and a statement by the auditors about their reporting responsibilities.

The Committee will prepare a separate section of the Annual Report to describe the work of the Committee in discharging its responsibilities. This report will include:

- 3.6.1 the significant issues that the committee considered in relation to the financial statements, and how these issues were addressed;



- 3.6.2 an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, and information on the length of tenure of the current audit firm and when a tender was last conducted;
- 3.6.3 if the external auditor provides non-audit services, an explanation of how auditor objectivity and independence is safeguarded; and
- 3.6.4 if an audit tender is proposed, details of the audit tender process.

#### **4. ANNUAL GENERAL MEETING**

A member of the Committee shall attend each annual general meeting and be available to answer shareholders' questions.

#### **5. NOTICE OF MEETINGS**

The Secretary of the Committee shall circulate a notice of any meeting of the Committee confirming the venue, time and date of the meeting and enclosing the agenda of business to be covered at the meeting not less than five working days before each meeting of the Committee, to all members of the Committee. Supporting papers shall be sent to members of the Committee and to other attendees as appropriate at the same time.

#### **6. MINUTES OF MEETINGS**

- 6.1 The Secretary of the Committee shall minute the proceedings and resolutions of all the Committee meetings, including the names of those present and in attendance.
- 6.2 The Secretary shall circulate promptly the minutes of Committee meetings to all members of the Committee and make them available on request to other members of the Board, upon approval by the Chair.

The Committee will ensure that the terms of reference for the Committee are generally available upon request or on the Company's website.

**FEBRUARY 2020**