

# **CONFIDENTIAL**

Paper No. VNL-BD-14-024

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## **VINALAND LIMITED (VNL/Company)**

### **REMUNERATION AND NOMINATION COMMITTEE (RNC/Committee)**

#### **TERMS OF REFERENCE**

*(Approved by the Board on 08 April 2014)*

#### **1. Membership**

- 1.1 All members of the Committee shall be independent non-executive directors and shall be appointed by the Board.
- 1.2 The Chairman of the Committee shall be appointed by the Board. In the absence of the Chairman of the Committee, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board can be a member of the Committee, provided he or she is an independent non-executive director, but cannot be Chairman of the Committee. The Chairman of the Committee shall not chair the Committee when it is dealing with the appointment of a successor to the Chairmanship of the Committee.

#### **2. Secretary**

- 2.1 The Secretary of the Company or their nominee shall act as the Secretary of the Committee.

#### **3. Quorum**

- 3.1 The quorum of the Committee is two (2) members.

#### **4. Attendance at Meetings**

- 4.1 Only members of the Committee have the right to attend Committee meetings. However, the Committee may invite the non-executive directors, representatives of the Manager or external parties to attend the meetings of the Committee where appropriate.

#### **5. Notice of Meetings and Distribution of Papers**

- 5.1 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any person required to attend, no later than five (5) working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

#### **6. Frequency of Meetings**

- 6.1 The Committee will meet to consider its responsibilities as set out below as and when required, but at least twice a year. Other meetings will be arranged when required.
- 6.2 The Company's Board might recommend at any time that additional meetings of the Committee be held, for the purpose of considering specific matters.

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## **7. Minutes of Meetings and Reports to Board**

- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and those in attendance.
- 7.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless any conflicts of interest exist, and to other attendees as appropriate, at the same time.
- 7.3 The Chairman of the Committee shall report to the Board on the proceedings of each meeting and make recommendations to the Board where the Committee deems that action, approval or improvement is required.

## **8. Responsibilities of the Committee**

- 8.1 In summary, the Committee is responsible to review and recommend to the Board for approval the matters outlined below :

- 8.1.1 Review of the remuneration of Directors;
- 8.1.2 Review of the nominations of new Directors to the Board and changes to Board membership;
- 8.1.3 Evaluation of the Company's third party service providers; and
- 8.1.4 Evaluation of the Board's performance.

### *8.2 Responsibilities in respect of Remuneration function :*

- 8.2.1 Determine and agree the framework or broad policy for the remuneration of the Company's Chairman, the Committee Chairmen, Senior Independent Director (if appointed) and Directors;
- 8.2.2 Ensure that the remuneration policy of the Company takes into account all factors which it deems necessary, including, but not limited to the complexity of the Company, any relevant legal requirements and appropriate corporate governance best practice, industry standards, the performance of the Company within its sector and the expertise of the Directors;
- 8.2.3 Review the ongoing appropriateness and relevance of the remuneration policy;
- 8.2.4 Review any performance incentives of the non-independent directors in their executive functions in the VinaCapital Group;

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- 8.2.5 Ensure, if applicable, that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 8.2.6 Determine the total individual remuneration package of each Director, within the terms of the agreed policy;
- 8.2.7 Review and note annually remuneration trends in the industry;
- 8.2.8 Determine and agree the policy for authorising claims for expenses from Directors;
- 8.2.9 Ensure that all provisions regarding disclosure of remuneration, including pensions, are set out in the Annual Report; and
- 8.2.10 Determine the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and procure up-to-date information about remuneration in other comparable companies. The Committee may commission any reports, surveys, legal or other professional advice, which it deems necessary to help it to fulfil its obligations.

### 8.3 Responsibilities in respect of Nomination function :

- 8.3.1 Review the structure, size and composition, including the skills, knowledge and experience, of the Board and recommend any changes as necessary;
- 8.3.2 Manage the annual directors' re-election process whereby one-third of directors shall stand for re-election to the Board each year by the remaining directors;
- 8.3.3 Give consideration to succession planning of Directors, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;
- 8.3.4 Review the appointment of a Senior Independent Director, if the Chairman is not an independent director;
- 8.3.5 Identify and nominate candidates to fill Board vacancies as and when they arise and evaluate the candidates' experience, skills and suitability for the role prior to their appointments;
- 8.3.6 Review the leadership of the Board, to ensure that this is conducted effectively;

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- 8.3.7 For the appointment of the Company's Chairman and any new Directors, prepare a job specification, including an assessment of the time commitment expected;
  - 8.3.8 Review the re-appointment of any Director, if required, having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - 8.3.9 Review the most appropriate method of performance appraisal and implement relevant procedures; and
  - 8.3.10 Review any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of a Director subject to the provisions of the law and their service contract.
- 8.4 *Responsibilities in respect of Management Engagement and Evaluation function :*
- 8.4.1 Review, at least annually, the performance of each of the Company's third party service suppliers against their respective agreements. The review should include but not be restricted to the following services :
    - 8.4.1.1 Investment Manager;
    - 8.4.1.2 Nominated advisor (NOMAD)/ administrator/ registrar;
    - 8.4.1.3 Company secretary;
    - 8.4.1.4 Corporate broker;
    - 8.4.1.5 Custodian and administrator;
    - 8.4.1.6 Insurers;
    - 8.4.1.7 Legal counsel;
    - 8.4.1.8 Tax advisors;
    - 8.4.1.9 Real estate experts; and
    - 8.4.1.10 Public relations advisors; and
  - 8.4.2 Review any points of conflict which may arise between the Company and any of its service providers.

8.5 *Responsibilities in respect of Board Evaluation :*

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- 8.5.1 Review at least once a year the performance of the Board and its members to ensure that both the Board and its members are operating effectively and make recommendations to the Board in respect of any changes it considers necessary.

## 9. Other Matters

### 9.1 The Committee shall :

- 9.1.1 At least once a year, review its terms of reference. They may be altered to meet the current needs of all Committee members, by agreement of the majority of members of the Board;
- 9.1.2 At least once a year, review its own performance and constitution to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval
- 9.1.3 Review and approve the minutes of any meetings of the Committee;
- 9.1.4 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance, as required;
- 9.1.5 Give due consideration to laws and regulations and the corporate governance guidelines of those countries in which the Company's shares are traded;
- 9.1.6 Oversee any investigation of activities which are within its terms of reference; and
- 9.1.7 Consider such other matters as deemed relevant appropriate.