

VINALAND LIMITED (VNL/Company)
INVESTMENT COMMITTEE (IC/Committee)

TERMS OF REFERENCE
(Approved by the Board on 21 July 2016)

Membership

1. The Investment Committee (IC) comprises members appointed by the Board.
2. The Committee shall have two tiers:
 - a Fund-specific IC; and
 - an Executive IC.
3. The VNL Fund-specific IC has overall responsibility for reviewing opportunities received from the real estate team and making approval decisions on which opportunities to pursue. It is structured to allow for in-depth discussion of each investment proposal, and to assign greater accountability to senior investment professionals by making them IC members. To avoid conflicts of interest across multiple funds, at least 60% of the members of the VNL Fund-specific IC will not serve on other VinaCapital fund investment committees.
4. The VNL Fund-specific IC shall comprise of no less than three individuals with appropriate investment experience and extensive hands-on knowledge. The individuals may be directors of the Company, employees of VinaCapital or external third parties. The MD of VinaLand must be a member of the VNL Fund-specific IC. The appropriate Director of the Manager's Singapore office is a member of each Fund-specific IC for regulatory purposes as the Manager works towards moving the Funds to Singapore.
5. The Executive IC provides an additional layer of governance and shall comprise of no less than two of VinaCapital's most experienced investment professionals.
6. Only members of the Committee have the right to attend Committee meetings. Other individuals such as other employees of VinaCapital and its affiliates, and independent advisers may be invited by the Committee to attend all or part of any meeting, as and when appropriate.

Chairman

7. The Managing Director of the Fund shall be the Chairman of the VNL Fund-specific Committee. In the absence of the Committee Chairman from any Committee meeting at which a quorum of members is present, the remaining members of the Committee present shall elect one of themselves to chair the meeting.

Role

8. The role of the Investment Committee is to assess and approve investments and divestments that the Investment Manager determines are suitable for the Fund. An investment or divestment will be made once the members of the Investment Committee are unanimously satisfied that it is appropriate for the Fund.

Limits of Authority

9. In the instance where a potential investment requires funding that is equal to or exceeds 10% of the Net Asset Value of the Fund, the investment will be presented to the Board for its consideration and majority approval.
10. This 10% threshold for investment transactions applies to all possible funding commitments that the Fund may be required to finance for a project. More specifically this means that this 10% component includes all anticipated external debt funding and co-investors' contributions, in addition to any commitments that the Company is making.
11. Similarly, in the event that the potential value of an investment to be disposed of is equal to or exceeds 10% of the Net Asset Value of the Fund, it will also be presented to the Board and majority Board approval will also be required.
12. Any investment or divestment proposal involving any related party transaction **must**, in all cases, be referred to the Independent Directors of the Board of VNL, excluding any such Directors who are related parties, for decision and **not** be decided by the Manager or the VNL IC to ensure that there is no risk of perception or actuality of conflict of interest.
13. Any investment or divestment proposal involving –
 - a) Investment in projects in which other Funds managed by VinaCapital or related Companies have an interest; or
 - b) Divestment from projects to other Funds managed by VinaCapital or related Companies,

Must, in all cases, be referred to the Independent Directors of the Boards of both VNL and the other fund(s) concerned for decision and **not** be decided by the Manager or the VNL IC to ensure that there is no risk of perception or actuality of conflict of interest, even in cases where such a transaction is not classified as a related party transaction under the AIM Rules.
14. For each project, the total value of which exceeds USD5 million, the Investment Manager must ask two independent Valuers to perform a Full Valuation on an annual basis.

15. For each project, the total value of which is equal to or below USD5 million, the Investment Manager only needs to ask one independent Valuer to perform a Full Valuation on an annual basis.
16. Each Full Valuation of a project must then be followed up by an updated valuation six months after the respective Full Valuation of that project in order to obtain an Updated Valuation.
17. Revaluations may be obtained more frequently than once every six months for individual properties if there has been an event that the Valuation Committee or Investment Manager believes may have resulted in a material change in the value of a property.
18. For each project that is being divested with (i) the Sales and Purchase Agreement (“SPA”) signed, (ii) and the deposit received and (iii) readily achievable conditions precedents, the Manager only needs to ask one independent Valuer to update the valuation of the project concerned every six months until the divestment is fully completed.
19. Each Valuer prepares a report containing the recommended Fair Value of the property, along with the assumptions used to determine that value. If there is a material difference between the two valuations, the Investment Manager reviews the key assumptions to determine the primary cause(s) of the difference and discusses the assumptions with the Valuers to confirm each Valuer’s respective position. The Updated Valuation is performed by the Valuer whose Valuation was adopted during the Full Valuation.
20. The Investment Manager must summarize the key assumptions and valuation results and submit all Full and all Updated Valuations to the Valuation Committee for assessment at its quarterly meetings.
21. The Valuation Committee receives the analysis and copies of the independent Valuers’ appraisal reports for review. The Valuation Committee then meets formally every quarter to discuss the valuation process and results. After discussion of the valuation report, the Valuation Committee will recommend the valuations of each project to the Board for approval.
22. In addition to the annual valuation cycle, at the end of each quarter, the Investment Manager reviews all real estate investments for possible impairment based on internal calculations. If there is an indication that a property’s value has materially increased then the property will be included in the list of properties being independently valued.
23. If there is an indication that a property’s value has decreased then an assessment will be made by the Investment Manager to quantify the amount of any decrease. If there is evidence of a material impairment, an independent valuation will be obtained to assess whether there is a need for any adjustment in the value of the property.

Thereafter the Investment Manager will analyse the valuation report and submit it to the Valuation Committee for consideration.

24. For projects that are being divested (SPAs signed and deposits received), a desktop valuation update will be done by the asset management team to assess whether a valuation adjustment is warranted. The analysis performed by the Investment Manager and/or the independent Valuers must then be submitted to the Valuation Committee for consideration.
25. Thereafter, the Valuation Committee considers each valuation report submitted to it by the Investment Manager and recommends to the Board which valuation should be adopted in respect of each project, whether any adjustments should be made in respect of any valuations and if so, for what reasons. The Board then considers and, if thought fit, approves the valuations to be adopted for each project.
26. When assessing whether to divest from a project at any given sale price, the IC must first make reference to the most recent pair of valuations which have carried out by the external valuer appointed to value the project concerned and have been considered by the Valuation Committee in making its recommendations to the Board for approval of the value of that project.

Appendix 1
Updated investment process

