

VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED

(the "Company")

AUDIT COMMITTEE

Terms of Reference

(as adopted on 29 July 2016)

1. DEFINITIONS

- 1.1 Reference to the "**Committee**" shall mean the Audit and Valuation Committee.
- 1.2 Reference to the "**Board**" shall mean the board of directors of the Company.
- 1.3 Reference to the "**Manager**" shall mean the investment manager of the Company from time to time.

2. PURPOSE

The committee is appointed by the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company.

3. MEMBERSHIP

- 3.1 The Committee shall consist of the whole Board. Members of the Committee shall be appointed by the Board, on the recommendation of the nomination committee and in consultation with the Chairman of the Committee.
- 3.2 All members of the Committee shall be independent non-executive directors, at least one of whom shall have recent and relevant financial experience ideally with a professional qualification from one of the professional accountancy bodies. The Committee as a whole should have competence relevant to the sector in which the Company operates
- 3.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals (if not members of the Committee) such as representatives of the manager or other external advisers may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 3.4 The external auditors, as appropriate, will be invited to attend meetings of the Committee on a regular basis.
- 3.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further periods of up to three years, provided the director still meets the criteria for membership of the Committee. The Board may fill vacancies in the Committee by appointment from amongst the Board.
- 3.6 The Board shall appoint the one member of the Committee to act as the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 3.7 Each member of the Committee shall disclose to the Committee:
 - 3.7.1 any personal, financial or other interest in any matter to be decided by the Committee; or
 - 3.7.2 any potential conflict of interest arising from a cross-directorship or otherwise; and

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.

4. SECRETARY

The company secretary or their nominee shall act as secretary of the Committee.

5. QUORUM

5.1 The quorum necessary for the transaction of business shall be two members of the Committee. 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.

5.2 Members may participate in a meeting of the Committee by means of a telephone or other communication equipment.

5.3 Any matters to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all the members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

6. FREQUENCY OF MEETINGS

6.1 The Committee shall meet at least three times a year at appropriate times in the Company's reporting and audit cycle and otherwise as required.

6.2 Outside of the formal meeting programme, the Chairman of the Committee shall maintain a dialogue with key individuals involved in the Company's governance, including the Company's chairman and the external audit lead partner.

7. NOTICE OF MEETINGS

7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members or at the request of external auditors if they consider it necessary.

7.2 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, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. The company secretary, or his or her nominee shall ensure that supporting information and papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

8. MINUTES OF MEETINGS

8.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

8.2 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

8.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board unless it would be inappropriate to do so.

9. ANNUAL GENERAL MEETING

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

10. DUTIES

10.1 The Committee should carry out the duties below for the Company, major subsidiary undertakings (if any) and the group as a whole (if a group is in existence), as appropriate.

10.2 Financial reporting

10.2.1 The Committee shall monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgments which they contain.

10.2.2 In particular, the Committee shall review and challenge where necessary:

10.2.2.1 the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company and its subsidiaries;

10.2.2.2 the methods used to account for significant or unusual transactions where different approaches are possible;

10.2.2.3 whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

10.2.2.4 any significant adjustments resulting from the audit;

10.2.2.5 the going concern assumption;

10.2.2.6 compliance with applicable regulatory and legal requirements;

10.2.2.7 compliance with best practice in the area of corporate governance;

10.2.2.8 the clarity of disclosure in the Company's financial reports and the context in which statements are made;

10.2.2.9 all material information presented with the financial statements, such as the business review/operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management); and

10.2.2.10 the report of the Manager confirming that it has conducted the affairs of the Company in compliance with the regulations applying to it.

10.2.3 Review the annual report in its entirety.

10.2.4 Review the summary financial reports.

10.2.5 Review circulars issued in respect of takeovers and other major non-routine transactions.

10.2.6 Review press statements and advertisements relating to financial matters prior to their issue.

10.2.7 The Committee shall also review reports from the Company's external auditors on the financial statements. The Committee shall also review summary financial statements, significant financial returns to regulators, other regulatory returns and any financial information contained in certain other documents, such as announcements of a price-sensitive nature, provided that such monitoring and review is not inconsistent with any requirement for prompt reporting under the Listing Rules of the Financial Conduct Authority

10.2.8 Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, report its views to the Board.

10.3 **Narrative reporting**

Where requested by the Board, the Committee shall review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

10.4 **Internal Controls and Risk Management Systems**

10.4.1 The Committee shall as appropriate given the nature of the Company:

10.4.1.1 keep under review the adequacy and effectiveness of the Company's financial reporting and internal control policies and procedures with respect to the Company's record keeping, asset management and operations for the identification, assessment and reporting of risks. However, the Board retains responsibility for the review of the effectiveness of the system of internal control and must form its own opinion despite aspects of that review being delegated to the Committee;

10.4.1.2 review the statements to be included in the annual report concerning internal controls, prior to endorsement by the Board. In particular the Committee should carry out a robust assessment of the principal risks facing the company, describing those risks and explaining how they are being managed or mitigated;

10.4.1.3 review the list of approved deposit takers and deposit limits;

10.4.1.4 review and approve statements explaining how assets have been invested with a view to spreading investment risk;

10.4.1.5 liaise with the Board and ensure that other statements regarding the Company's investment manager, including relevant details of its remuneration and appointment and its continued appointment, are included in the annual report;

10.4.1.6 ensure that the annual report includes:

10.4.1.6.1 the full text of the Company's published investment policy;

10.4.1.6.2 a detailed and meaningful analysis of the Company's investment portfolio; and

10.4.1.6.3 a summary of the valuation of the Company's portfolio made in accordance with the Listing Rules published by the Financial Conduct Authority; and

10.4.1.7 monitor adherence to best practice in corporate governance.

10.5 **Compliance, Whistle blowing and Fraud**

10.5.1 The Committee shall as appropriate given the nature of the Company:

10.5.1.1 review the adequacy and security of the Company's arrangements for its employees, if any, and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these

arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;

- 10.5.1.2 review the Company's procedures for detecting fraud;
- 10.5.1.3 review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
- 10.5.1.4 review the adequacy and effectiveness of the Company's anti-money laundering systems and controls; and
- 10.5.1.5 review the adequacy and effectiveness of the Company's compliance function.

10.6 **Operational Control Function**

- 10.6.1 The Committee shall review promptly all reports on the Company from the Manager's operational control function.
- 10.6.2 The Manager's chief operating officer shall have the right of direct access to the chairman of the Committee.
- 10.6.3 The Committee shall consider the major findings of internal investigations and the Manager's response.
- 10.6.4 The Committee shall consider annually whether there is a need for an internal audit function and make a recommendation to the Board, and the reasons for the absence of such a function should be explained in the relevant section of the annual report.

10.7 **External audit**

- 10.7.1 The Committee shall:
 - 10.7.1.1 consider and make recommendations to the Board, to be put to shareholders for approval at a general meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
 - 10.7.1.2 ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and, in respect of such tender, oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the tendering process;
 - 10.7.1.3 oversee the relationship with the external auditor including (but not limited to):
 - 10.7.1.3.1 making recommendations of their remuneration, whether fees for audit or non audit services and that the level of fees is appropriate to enable an adequate audit to be conducted;

- 10.7.1.3.2 approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - 10.7.1.3.3 assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - 10.7.1.3.4 satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business);
 - 10.7.1.3.5 monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
 - 10.7.1.3.6 assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures; and
 - 10.7.1.3.7 seeking to ensure co-ordination with the activities of the internal audit function.
- 10.7.1.4 evaluate the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of the auditor from the market in that evaluation.
 - 10.7.1.5 meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without the Manager being present, to discuss their remit and any issues arising from the audit and to ensure that the auditors' management letters and the Manager's responses are reviewed;
 - 10.7.1.6 review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
 - 10.7.1.7 review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - 10.7.1.7.1 a discussion of any major issues which arose during the audit;
 - 10.7.1.7.2 any accounting and audit judgements;
 - 10.7.1.7.3 levels of errors identified during the audit; and
 - 10.7.1.7.4 the effectiveness of the audit.
- 10.7.2 The Committee shall keep under review the relationship with the external auditors including (but not limited to), discussions with the external auditors concerning such issues as compliance with accounting standards and any proposals which the external auditors have made, e.g. in respect of the Manager's internal auditing standards.

- 10.7.3 The Committee shall also:
- 10.7.3.1 review any representation letter(s) requested by the external auditor before they are signed by the Board;
 - 10.7.3.2 review any response from the Board as to the auditor's findings and recommendations; and
 - 10.7.3.3 develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter.

10.8 Valuations

REFERENCE TO THE INTERACTION WITH THE EXTERNAL VALUER

- 10.8.1 The Committee shall be responsible for recommending valuations of the Company's investments to the Board.
- 10.8.2 The Committee shall review the valuations recommended by the Manager for incorporation into the interim and year end financial statements. In particular, the Committee shall review and challenge where necessary:
- 10.8.2.1 the consistency of, and any changes to, valuation policies both on a year on year basis and across the Company or group (if a group is in existence).
 - 10.8.2.2 the compliance of the valuation policies where appropriate with the International Private Equity and venture Capital Valuation Guidelines;
 - 10.8.2.3 the methods used to account for significant or unusual valuations where different approaches are possible.
 - 10.8.2.4 the process for determining whether any of the investments are impaired and, if so, considering the provisions which should be made against the valuations of those investments
- 10.8.3 The Committee shall be responsible for appointing and overseeing an independent valuation expert to review the valuations of the Company's investments and receiving reports thereon;
- 10.8.4 The Committee shall review the adequacy and security of the Company's arrangements for its contractors to raise concerns, in confidence, about possible wrongdoing in valuation reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

11. REPORTING RESPONSIBILITIES

- 11.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and how it has discharged its responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Committee shall compile a report to shareholders on its activities to be included in the Company's annual report which shall include an explanation on its assessment of the effectiveness of the external audit process (including the provision of non-audit services and an explanation of how, if the auditors provide non-audit services to the Company, auditor objectivity and independence is safeguarded) and its recommendation on the appointment or

reappointment of the external auditor, including length of incumbent auditor's tenure, when a tender was last conducted and any contractual provisions restricting the Committee's choice of auditor, and the amount of fees paid to the auditor for any of its services.

12. OTHER MATTERS

12.1 The Committee shall:

- 12.1.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- 12.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 12.1.3 give due consideration to applicable laws and regulations including without limitation to the requirements of the Listing Rules, Prospectus Rules, Disclosure Rules and Transparency Rules, the provisions of the UK Corporate Governance Code and AIC Code, and the AIFM Directive as such apply to the Company from time to time;
- 12.1.4 be responsible for co-ordination of the internal and external auditors;
- 12.1.5 where requested by the Board, review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- 12.1.6 oversee any investigation of activities which are within its terms of reference; and
- 12.1.7 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

13. AUTHORITY

13.1 The Committee is authorised:

- 13.1.1 to seek any information it requires from the Manager, company secretary and administrator of the Company in order to perform its duties;
- 13.1.2 to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
- 13.1.3 to call any representative of the Manager, company secretary or administrator of the Company to be questioned at a meeting of the Committee as and when required; and
- 13.1.4 to have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.