

PHOENIX BEVERAGES LIMITED
(the "Company" or "PBL")

AUDIT AND RISK COMMITTEE CHARTER
(the "Charter")

Audit and Risk Committee

(the "Committee")

PURPOSE

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the appointment of auditors as well as the audit process and to create the environment and structures of risk management in order to ensure effective business continuity. To clarify the mandate attributable to the Committee in relation to the holding companies of Phoenix Beverages Limited, namely Phoenix Investment Company Limited ("PICL") and Camp Investment Company Limited ("CICL").

1. Membership

- 1.1** The Committee shall comprise of not less than three (3) non-executive Directors appointed by the Board, at least one (1) shall be independent non-executive Directors. Members of the Committee shall be appointed by the Board, on the recommendation of the Corporate Governance Committee acting as Nomination Committee in consultation with the Chairperson of the Audit and Risk Committee.
- 1.2** The Board shall appoint a Chairperson from the independent non-executive members of the Committee and determine the period for which he shall hold office.
- 1.3** The Chairperson of the Board, the Chief Executive Officer ("CEO"), the Chief Finance Officer ("CFO") and any executive Director shall not be eligible to be appointed as Chairperson or member of the Committee.
- 1.4** The Board shall satisfy itself that the Chairperson of the Committee and at least one (1) member of the Audit and Risk Committee has recent and relevant financial experience ideally with a professional qualification from one of the professional accountancy bodies.
- 1.5** The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.
- 1.6** Only members of the Committee have the right to attend Committee meetings. However, the external auditor and CFO will be invited to attend meetings of the Committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.

2. Secretary

- 2.1** The Company Secretary, or its nominee, shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Quorum

- 3.1** The quorum necessary for the transaction of business shall be at least two (2) members, one (1) of whom must be an independent Director.

4. Frequency of meetings

- 4.1** The Committee shall meet at least four (4) times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.
- 4.2** Outside of the formal meetings, the Committee Chairperson will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chairperson, the CEO, the CFO, the external audit lead partner and the head of internal audit. The Committee Chairperson, at his discretion, may invite other executives to attend and to be heard at meetings of the Committee.

5. Notice of meetings

- 5.1** Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members or at the request of the external audit lead partner or head of internal audit if they consider it necessary.
- 5.2** Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and any other person required to attend, no later than three (3) business days before the date of the meeting.

6. Minutes of meetings

- 6.1** The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2** Draft minutes of Committee meetings shall be circulated as promptly as possible to the Chairperson of the Committee for validation and to all members of the Committee thereafter, usually within a maximum of three (3) weeks following the meeting, unless exceptional circumstances prevent so.

7. Annual meeting

- 7.1** The Committee Chairperson shall attend the annual meeting to answer shareholder questions on the Committee's activities.

8. Responsibilities of the Committee

The Committee should carry out the duties below for the Company, its subsidiaries as well as PICL and CICL, as appropriate.

8.1 Financial statements

- 8.1.1** The Committee will examine and review the quality and integrity of the financial statements of the Company and of its holding companies Camp Investment Company Limited and Phoenix Investment Company Limited, including the annual and half-yearly reports, interim reports and any other formal announcement relating to the companies' financial performance.
- 8.1.2** The Committee shall review and report to the Board on significant financial reporting issues and judgements which these financial statements contain having regard to matters communicated to the Committee by the auditor.
- 8.1.3** Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company or the holding companies, it shall report its views to the respective Boards.
- 8.1.4** In particular, the Committee shall review and challenge where necessary:
 - 8.1.4.1** The consistency of, and any changes to, significant accounting policies both on a year on year basis and across the Company/Group;
 - 8.1.4.2** Compliance with accounting standards, local and international, compliance with stock exchange and legal requirements;
 - 8.1.4.3** The methods used to account for significant or unusual transactions where different approaches are possible;
 - 8.1.4.4** Significant adjustments resulting from the audit;
 - 8.1.4.5** Whether the companies have followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the external auditor;

- 8.1.4.6** The clarity and completeness of disclosure in the companies' financial reports and the context in which statements are made;
- 8.1.4.7** All material information presented with the financial statements, such as the business review and the corporate governance statements relating to the audit and to risk management;
- 8.1.4.8** The basis on which the companies have been determined a going concern;
- 8.1.4.9** Capital adequacy and internal controls;
- 8.1.4.10** Compliance with the financial conditions of any loan covenants; and
- 8.1.4.11** Special documents (such as prospectuses).

8.2 Narrative reporting

- 8.2.1** Where requested by the Boards, the Committee shall review the content of the annual report and accounts and advise the Boards on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders and other stakeholders to assess the companies' performance, business model and strategy.

8.3 Internal controls and risk management systems

The Committee shall:

- 8.3.1** Keep under review the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintain effective internal control systems.
- 8.3.2** Review and approve the statements to be included in the annual report concerning internal controls and risk management.

8.4 Compliance, whistleblowing and fraud

The Committee shall:

- 8.4.1** Review the adequacy and security of the Company's arrangements for its employees 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.
- 8.4.2** Review the Company's procedures for detecting fraud.
- 8.4.3** Review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance.
- 8.4.4** Review significant transactions not directly related to the Company's normal business as the Committee might deem appropriate.
- 8.4.5** Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company.

8.5 Internal audit

The Committee shall:

- 8.5.1** Recommend to the Board for approval the appointment or termination of appointment of the internal auditor/head of internal audit.
- 8.5.2** Ensure the internal audit function has the necessary resources and access to information to enable it to fulfil its mandate and is equipped to perform in accordance with appropriate professional standards for internal auditors.
- 8.5.3** Ensure the internal auditor has direct access to the Board Chairperson and to the Committee Chairperson, and is accountable to the Committee.

- 8.5.4** Review and assess the annual internal audit work plan.
- 8.5.5** Receive a report on the results of the internal auditor's work on a periodic basis.
- 8.5.6** Review and monitor management's responsiveness to the internal auditor's findings and recommendations.
- 8.5.7** Meet with the head of internal audit at least once a year without the presence of management.
- 8.5.8** Monitor and review the effectiveness of the Company's internal audit function, in the context of the Company's overall risk management system.
- 8.5.9** Safeguard Company's assets against unauthorised use or disposal.
- 8.5.10** Direct and supervise investigations into matters within its scope, for example, evaluations of the effectiveness of the Company's internal control, cases of employee fraud, misconduct or conflict of interest.

8.6 External audit

The Committee shall:

- 8.6.1** Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor; and
- 8.6.2** Ensure that at least once every seven (7) years or as required under relevant laws and other regulatory requirements, 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 duration of the tendering process. Several firms should be screened and the Committee should obtain written or verbal proposals to enable it to arrive at its recommendation.
- 8.6.3** If an auditor resigns, investigate the issues leading to this and decide whether any action is required.
- 8.6.4** Oversee the relationship with the external auditor including (but not limited to):
 - 8.6.4.1** Recommendations on their remuneration, including both fees for audit and non-audit services; and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
 - 8.6.4.2** Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - 8.6.4.3** Assessing as often as required 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;
 - 8.6.4.4** 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) which could adversely affect the auditor's independence and objectivity;
 - 8.6.4.5** Monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
 - 8.6.4.6** Assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures;
 - 8.6.4.7** Seeking to ensure co-ordination between audit firms (where more than one audit firm is involved);

- 8.6.4.8** Seeking to ensure co-ordination with the activities of the internal auditors;
- 8.6.4.9** Evaluating 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 their auditor from the market in that evaluation.
- 8.6.5** Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit.
- 8.6.6** Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team.
- 8.6.7** Consider whether any significant ventures, investments or operations are not subject to external audit.
- 8.6.8** Obtain assurance from the external auditors that adequate accounting records are being maintained.
- 8.6.9** Review the findings of the audit with the external auditor. This shall include but not be limited to the following:
 - 8.6.9.1** A discussion of any major issues which arose during the audit;
 - 8.6.9.2** Key accounting and audit judgements;
 - 8.6.9.3** Levels of errors identified during the audit; and
 - 8.6.9.4** The effectiveness of the audit process.
- 8.6.10** Review any representation letter requested by the external auditor before they are signed by management.
- 8.6.11** Review the management letter and management's response to the auditor's findings and recommendations.
- 8.6.12** Develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.

9. Reporting responsibilities

- 9.1** The Committee Chairperson shall report formally to the Board on its proceedings after meetings on matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.

This report shall include:

 - 9.1.1** The significant issues that it considered in relation to the financial statements and how these were addressed;
 - 9.1.2** Its assessment of the effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor;
 - 9.1.3** Any other issues on which the Board has requested the Committee's opinion.
- 9.2** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3** The Committee shall compile a report on its activities to be included in the Company's annual report. The report should include an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor. In compiling the report, the Committee should exercise judgement in deciding which of the issues it considers are significant in relation to the financial statements, but should include at least those matters relating to the Company being a going concern.

10. Remuneration

10.1 Having regard for the functions performed by the members of the Committee in addition to their functions as Directors in relation to the activities of the Committee, members of the Committee and its Chairperson may be paid such special remuneration in respect of their appointment as shall be fixed by the Board. Such special remuneration shall be in addition to the annual fees payable to Directors.

11. Other matters

The Committee shall:

- 11.1** Have access to outside or other independent professional advice as it considers necessary to carry out its duties.
- 11.2** Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required.
- 11.3** 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.
- 11.4** Give due consideration to laws and regulations, the Code, SEM Listing Rules and any other applicable rules, as appropriate.
- 11.5** Be responsible for co-ordination of the internal and external auditors.
- 11.6** Oversee any investigation of activities which are under its scope of work.
- 11.7** Work and liaise as necessary with all other Board committees.
- 11.8** Arrange for periodic reviews of its own performance and, as often as required, review its Constitution and Charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

12. Authority

The Committee is authorised to:

- 12.1** Seek any information it requires from any employee of the Company in order to perform its duties.
- 12.2** Obtain, at the expense of the Company, independent legal, accounting or other professional advice on any matter it believes it necessary to do so.
- 12.3** Call any employee to be questioned at a meeting of the Committee as and when required.
- 12.4** 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.

13. Interpretation

13.1 In case of uncertainty or difference of opinion on how a provision of this Charter should be interpreted, the opinion of the Board shall be decisive.

Adopted by the Board of Directors this 5 September 2018.