



**SPRITZER BHD (265348-V)**

(Incorporated in Malaysia)

# **Audit Committee Charter**

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**Audit Committee Charter**

**PURPOSE**

To assist the board of directors of Spritzer Bhd in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, risk management, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct.

**AUTHORITY**

The audit committee has authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to: -

- Nominate, compensate, and oversee the work of external auditors.
- Resolve any disagreements between management and the auditors regarding financial reporting.
- Retain independent advisers, accountants, or others to advise the committee or assist in the conduct of an investigation.
- Seek any information it requires from employees, all of whom are directed to cooperate with the committee's requests, or external parties.
- Meet with company officers, external auditors, or outside adviser, as necessary.

**COMPOSITION**

The audit committee will consist of at least three members and all of whom shall be non-executive directors, with a majority being independent directors. The board, assisted by its nomination committee, will appoint committee members and the committee chair, who shall be an independent and non-executive director.

No alternate director shall be appointed as a member of the Audit Committee.

No former key audit partner of the external auditors of the Company shall be appointed as a member of the Audit Committee before observing a cooling-off period of at least two (2) years.

At least one member must be a member of Malaysian Institute of Accountants, or if he is not a member of Malaysian Institute of Accountants, he must have at least three years working experience and either has passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967 or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

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- Audit Committee Charter (Cont.)

### **MEETINGS**

The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors and the management. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

### **RESPONSIBILITIES**

The committee will carry out the following responsibilities:

#### Financial Statements

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing *Standards*.
- Review related party transactions and conflict of interest situations that may arise in any transaction, procedure or event.

#### Internal Control and Risk Management

- Consider the effectiveness of the company's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Review the adequacy and effectiveness of Enterprise Risk Management System on the identification and management of key organizational risks.
- Review the system or processes to detect, manage and prevent fraud.

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### - Audit Committee Charter (Cont.)

#### Internal Audit

- Approve the annual internal audit plan and review the performance relative to its plan.
- Approve decisions regarding the appointment and removal of the chief audit executive. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
- Review with the chief audit executive the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
- Review the effectiveness of the internal audit function.
- Meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.

#### External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, and recommend the appointment or re-appointment or replacement of the external auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

#### Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management regarding compliance matters.

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### - Audit Committee Charter (Cont.)

#### Reporting Responsibilities

- Regularly report to the board of directors about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.
- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to committee responsibilities.

#### Other Responsibilities

- Review the shares and/or share options allocation pursuant to the relevant share scheme of Spritzer Bhd.
- Review the procedures on whistleblowing and that proper investigation on each allegation is conducted and appropriate action is taken, where necessary.
- Perform other activities related to this charter as requested by the board of directors.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter regularly, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis.

## **REVIEW**

The Audit Committee shall recommend any changes to its Audit Committee Charter in such manner as the Audit Committee deems appropriate to the Board for approval. This Charter shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code of Corporate Governance, Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Audit Committee's role.

This Audit Committee Charter is revised and approved by the Board of Directors on 26 February 2018.