

Title			Document No. TBL-AC-25022025
Terms of Reference – Audit Committee			
Approved by	Date of initial approval	Version No.	Revision No. and Date
Board of Directors	14-06-2023	2	2 – 25-02-2025

**Terms of Reference of the
Audit Committee of the Board of Directors of
Treet Battery Limited**

1 Purpose

The Audit Committee is a committee of the Board of Directors (“**BoD**”), which will assist the BoD in the effective discharge of its responsibilities for corporate governance, financial reporting and internal management control. The names of the members of the Audit Committee shall be disclosed in each Annual Report of the Company. In the absence of strong grounds to proceed otherwise, the BoD will act in accordance with the recommendations of the Audit Committee in all these matters.

2 Membership, Chairman & Secretary

The Audit Committee shall consist of a minimum of three (3) members. One (1) of these members will be independent and at least one member with Financial background.

The BoD will designate one from amongst the members to act as the Chairman of the Audit Committee.

The Company Secretary will be the Secretary of the Audit Committee.

The Head of Internal Audit function will report functionally to Chairman Audit Committee.

3 Responsibilities

The Audit Committee shall, among other things, be responsible for recommending to the BoD the appointment of External Auditors by the Company’s shareholders and shall consider any questions of resignation or removal of the Company’s External Auditors, audit fees and provision by External Auditors of any service to the Company in addition to audit of its financial statement.

The Audit Committee’s responsibilities shall also include the following:

- a) determination of appropriate measures to safeguard the Company’s assets;
- b) review of preliminary announcements of results prior to publication;
- c) review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the BoD focusing on:
 - major judgmental areas;
 - significant adjustments resulting from the audit;

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- the going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with listing regulations and other statutory and regulatory requirements; and
 - significant related party transactions.
- d) Facilitating the external audit and discussion with the External Auditors on major observations arising from interim and final audits and any matter that the External Auditors may wish to highlight (in the absence of management, where necessary).
- e) Review of the Management Letter issued by the External Auditors and Management's response thereto.
- f) Ensuring coordination between the Internal Auditors and External Auditors of the Company.
- g) Review of the scope and extent of Internal Audit ensuring that the Internal Audit function has adequate resources and is appropriately placed within the Company. If appropriate, reviewing the Terms of Reference for the outsourcing of Internal Audit function and recommending to the Board the appropriate firm for Internal Audit.
- h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.
- i) Ascertaining that the internal control systems including financial and operational controls, accounting system for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and reporting structure are adequate and effective.
- j) Review and approve Internal Audit Plan as proposed by the Internal Audit.
- k) Review Internal Audit report and ensuring compliance to the internal control recommendations by the Internal Auditor as appropriate.
- l) Review of the Company's statement on internal control systems prior to endorsement by the BoD and internal audit reports.
- m) Instituting special projects, value for money studies or other investigations on any matter specified by the BoD, in consultation with the Managing

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Director/Chief Executive Officer and to consider remittance of any matter to the External Auditors or to any other external body.

- n) Determination of compliance with relevant statutory requirements.
- o) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.
- p) Consideration of any other issue or matter on its own or as may be assigned by the BoD

4 Authority

In carrying out its duties the Audit Committee shall have the authority to discuss directly with the Management, Internal Auditors or the External Auditors and may obtain outside legal and other professional advice if it considers necessary on any issue within its remit and to request reports, explanations and information of any of the activities, procedures or accounts in respect of same.

5 Quorum

Two Members present (personally or through proxy) shall constitute a quorum for an Audit Committee Meeting. In the absence of the Chairman, any other member can act as the Chairman.

A Member may appoint another person as his proxy to attend and vote at Meeting(s) of the Audit Committee. Any such appointment will be required to be in writing and sent to the attention of the Secretary.

6 Meetings

The Audit Committee shall meet at least four (4) times in a financial year of the Company. The Meetings will be scheduled to permit timely review of the interim and annual financial statements before their approval by the BoD. Additional Meetings may be held as deemed necessary or as requested by the Internal Auditors or the External Auditors.

The Audit Committee meetings will be attended by the Managing Director/Chief Executive Officer and Group Financial Officer (CFO), and by invitation, the External Auditors and Internal Auditors, when required.

At least once a year, the Audit Committee shall meet the External Auditors without the presence of the CFO and the Internal Auditors being present.

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At least once a year, the Audit Committee shall meet the Internal Auditors without the presence of the CFO and the External Auditors being present.

The Secretary shall circulate the minutes of Meetings to the Members of the Audit Committee, the BoD and CFO in compliance with the Code of Corporate Governance.

7 Reporting

The Audit Committee will provide the BoD with feedback as follows:

- a) The Minutes of all meetings of the Audit Committee will be provided to the BoD through the Secretary.
- b) Supporting Schedules and information reviewed by the Audit Committee will be made available to the BoD, including the findings of the Internal Audit and the External Audit.
- c) The Chairman of the Audit Committee will provide an up-date to the BoD at Board Meetings on matters taken-up by the Audit Committee.
- d) The Chairman of the Audit Committee will respond to any queries relating to the Audit Committee at general meetings of the Company.

The Audit Committee will review the performance of the Internal Auditors of the Company.

8 Review

The composition and performance of the Audit Committee will be reviewed annually by the BoD at its first meeting immediately following the Annual General Meeting. At this Meeting the Audit Committee will submit a report on its performance during the preceding financial year.

9 Functions to be performed by the Audit Committee as a Risk Management Committee:

- a) monitoring and review of all material controls (financial, operational, compliance);
- b) risk mitigation measures are robust and integrity of financial information is ensured; and
- c) appropriate extent of disclosure of company's risk framework and internal control system in Directors' report.