
**Terms of Reference for the
Audit Committee of
Budweiser Brewing Company APAC Limited**
(A company incorporated in the Cayman Islands with limited liability)

Definitions

1. For the purposes of these terms of reference:

Articles means the articles of association of the Company;

Audit Committee means the audit committee established by resolution of the Board in accordance with these terms of reference;

Board means the board of directors of the Company;

CEO means the chief executive officer of the Company as appointed by the Board from time to time;

Company means Budweiser Brewing Company APAC Limited;

Directors means the members of the Board;

ExCom means the CEO, the chief financial officer and the general counsel of the Company;

Group means the Company and its subsidiaries;

Listing Rules mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

Shareholders means the shareholders of the Company from time to time; and

Stock Exchange means The Stock Exchange of Hong Kong Limited.

Constitution

2. The Audit Committee was established by resolution of the Board on 2 July 2019, effective conditional upon the listing of the Company's shares on the Stock Exchange.

Composition and functioning

3. The Board shall appoint the chairman and the members of the Audit Committee from among the non-executive Directors only. The Audit Committee shall have minimum three voting members. A majority of the voting members of the Audit Committee shall be independent non-executive Directors with at least one member having appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. The quorum for meetings of the Audit Committee shall be two members of whom at least one shall be an independent non-executive Director. LR 3.21

4. A former partner of the Company's existing auditing firm shall be prohibited from acting as a member of the Audit Committee for a period of two years from the date of his/her ceasing:
 - (a) to be a partner of the firm; or
 - (b) to have any financial interest in the firm,whichever is the later.
5. The Board may appoint a non-executive Director who is a representative of an affiliate of the Company to the position of non-voting observer on the Audit Committee. Any such non-voting observer shall not be eligible to serve as chairman of the Audit Committee.
6. The chairman of the Audit Committee shall be appointed by the Board and shall be an independent non-executive Director. The chairman of the Audit Committee will not be the chairman of the board. The CEO, chief financial officer and general counsel will be invited to the meetings of the Audit Committee, unless the chairman of the Audit Committee or a majority of the members of the Audit Committee decide to meet in closed session.
7. Decisions of the Audit Committee shall be taken by a majority of the votes cast. In case of equality of votes, the chairman of the Audit Committee shall have a casting vote.

Frequency and conduct of meetings

8. The Audit Committee shall hold as many meetings as necessary, with a minimum of two a year. The external auditors may request a meeting if they consider that one is necessary. In case of urgency, or other reasons, meetings can take place by conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.
9. The Audit Committee shall meet separately periodically with management, the head of corporate audit and the external auditors to discuss matters that the Audit Committee or any of these persons or firms believes should be discussed privately.
10. The Audit Committee shall meet with the external auditors, at least annually, in the absence of management, to discuss matters relating to its audit fees, any issues arising from the audit and any other matters the auditors may wish to raise.
11. Meeting agendas and other relevant documents will be prepared and provided in a timely manner in advance to all members of the Audit Committee, along with appropriate briefing materials before the intended date of a meeting of the Audit Committee.
12. Meetings of the Audit Committee shall follow the same procedures as those for meetings of the Board under the relevant provisions in the Articles, as amended from time to time.

Annual general meetings

13. The chairman of the Audit Committee (or in his/her absence, his/her duly appointed delegate) shall attend the Company's annual general meetings and be prepared to respond to any Shareholders' questions on the Audit Committee's activities. CGC E.1.2

Authority

14. The Audit Committee is entitled to review information on any point it wishes to verify. Management is obliged to supply the Audit Committee with adequate information in a timely manner in order to enable it to make informed decisions. The Audit Committee and each member of the Audit Committee shall have separate and independent access to management.
15. The Audit Committee is authorised by the Board to perform any activity within these terms of reference. It is authorised to seek any information it requires from any employee of the Group and all employees are directed to co-operate with any request made by the Audit Committee.
16. The Audit Committee is authorised by the Board to obtain, at the Company's expense, external independent professional advice, including legal advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Audit Committee shall be provided with sufficient resources to perform its duties and is entitled to receive reports directly from the external auditor, including reports with recommendations on how to improve the Company's control processes. The Audit Committee shall be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external party who advises the Audit Committee. CGC C.3.6

Reporting procedure

17. The duly appointed secretary (who should normally be the company secretary or a duly appointed representative) to the Audit Committee shall draft and keep full minutes of each meeting reflecting in sufficient detail the issues which were discussed, the matters which were considered, the decisions which were taken and, if any, the reservations and concerns which were voiced by dissenting members of the Audit Committee. The minutes will be approved by the chairman of the Audit Committee and subsequently by the Audit Committee during its next regularly scheduled meeting. The minutes shall be made available for inspection on reasonable notice by any Director. Draft and final versions of minutes of such meetings should be sent to all members of the Audit Committee for their comment and records within a reasonable time after such meetings. CGC C.3.1
18. A summary of the Audit Committee's deliberations and recommendations shall be transmitted promptly to the Board, and will be documented in the minutes.
19. Without prejudice to the generality of the duties of the Audit Committee set out in these terms of reference, the Audit Committee shall: CGC D.2.2

- (a) report back to the Board following each meeting of the Audit Committee on the principal matters reviewed or approved by the Audit Committee and its recommendations regarding actions to be taken by or decisions to be approved by the Board; and
- (b) keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

Powers and responsibilities

- 20. The Audit Committee shall assist the Board in its responsibility for oversight of:
 - (a) the integrity of the Company's financial statements,
 - (b) the Company's compliance with legal and regulatory requirements,
 - (c) the external auditor's qualification and independence, and
 - (d) the performance of the external auditor and the Company's risk management function.
- 21. The policies and procedures of the Audit Committee shall remain flexible to allow it to respond in a timely way to the needs of a professional environment in constant change. In particular the Audit Committee is responsible for the following:

(a) *With respect to the audit of the affairs of the Company*

In relation to the external auditor

- (i) to be primarily responsible for presenting recommendations to the Board and (to the fullest extent permitted by law and the Articles) exercise delegated authority on behalf of the Board with respect to the appointment, reappointment and removal of the external auditor, and the scope of his mandate (while subsequently authorising the fee, terms of engagement, and supervising all matters relating to the assessment and rotation of audit partners and any change of auditor) and to consider any questions of resignation or dismissal; CGC C.3.3(a)
- (ii) to discuss with the external auditor before the audit commences the nature and scope of the audit and reporting obligations, and ensuring co-ordination where more than one audit firm is involved; CGC C.3.3(b)
- (iii) to discuss (A) significant adjustments after audit, (B) problems and reservations arising from the interim and final audits, and (C) any matters or questions that the external auditor wishes to raise in the absence of members of management;
- (iv) to oversee the work of the external auditor (including the resolution of disagreements between management and the external auditor regarding financial reporting);

- (v) to ensure that the external auditor prepares and delivers annually an audit report (it being understood that the external auditor is responsible for the accuracy and completeness of this report), and to discuss with the external auditor any relationships or services disclosed in this report that may impact the quality of audit services or the objectivity and independence of the Company's external auditor;
- (vi) to obtain from the external auditor in connection with any audit a timely report relating to the Company's annual audited financial statements describing all critical accounting policies and practices used, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor and management, and any material written communications between the external auditor and management;
- (vii) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards particularly with respect to assignments for non-audit services, and to establish clear policies in relation to the hiring of persons who are employees or former employees of the external auditor; CGC C.3.3(b)
- (viii) to develop and implement policy on engaging an external auditor to supply non-audit services and reporting to the Board, identifying and making recommendations on any matters where action or improvement is needed; CGC C.3.3(c)
- (ix) to obtain and review, at least annually, a report from the external auditor describing:
 - (A) the external auditor's internal quality-control procedures,
 - (B) any material issues raised by the most recent internal quality-control review or peer review of the external auditor or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more external or other independent audits carried out by the external auditor, and any steps taken to deal with such issues, and
 - (C) all relationships between the external auditor and the Company;

In relation to the internal auditors (risk management team)

- (x) to review the appointment and replacement of the head of corporate audit;
- (xi) to ensure the independence within the Company of the head of corporate audit and his or her team;
- (xii) to define, subject to the Board's approval, the structure of the internal risk management team, its operating budget and the annual scheduling of audits;
- (xiii) to analyse the comments and proposals of the head of corporate audit relating to the internal risk management program, as well as management feedback on how the program is working;
- (xiv) to analyse the difficulties met by the head of risk management and his or her team in executing their mandate, including any sustained obstruction or problem in accessing the information required;
- (xv) to analyse, together with the head of corporate audit, the way the Company's auditors, both internal and external, work together so as to cover all alternatives, avoid redundant tasks and make an efficient use of auditing resources;

In relation to both internal auditors (internal risk management team) and external auditor

- (xvi) to analyse and discuss with them:
 - (A) the scope of the annual audit;
 - (B) any significant matters arising from any audit, including any audit problems or difficulties relating to the Company's financial statements or internal control over financial reporting;
 - (C) any difficulties the external auditor encountered in the course of the audit, including any restrictions on its activities or access to information requested by it and any significant disagreements with management;
 - (D) any "management" or "internal control" letter issued, or proposed to be issued, by the external auditors;
- (xvii) to review all significant reports to management prepared by the external or internal auditors and management's responses thereto;
- (xviii) to make recommendations to the Board with regard to the carrying out of specific audits or studies;

(b) With respect to the Financial Reporting

(i) to monitor, discuss and review:

- (A) the integrity of the financial information, financial statements, annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports provided by the Company, in particular by reviewing significant financial reporting judgments contained in them and the relevance and consistency of the accounting principles used. In reviewing these reports before submission to the Board, the Audit Committee shall focus particularly on: CGC C.3.3(d)
- any changes in accounting policies and practices;
 - major judgmental areas;
 - significant adjustments resulting from audit;
 - the going concern assumptions and any qualifications;
 - compliance with accounting standards; and
 - compliance with the Listing Rules and legal requirements in relation to financial reporting;
- (B) legal and regulatory issues that could have an impact on the annual financial statements;
- (C) all financial information about to be published. The review involves assessing the correctness, completeness and consistency of financial information;
- (D) any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
- (E) analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative methods permitted by IFRS on the financial statements;
- (F) methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches. Particular attention should be paid to both the existence of and the justification for any activity carried out by the Company by offshore centres and or through special purpose vehicles; and

- (G) the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements of the Company.
- (ii) in respect of the matters set out above in this paragraph 21(b):
- (A) to liaise and meet periodically with the Board and management;
 - (B) to meet at least twice a year with the Company's external auditors, including to review and discuss, prior to publication, the Company's annual audited financial statements and any interim financial statements, including the Company's specific disclosures in its operating and financial review; and
 - (C) to consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts and giving due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;
- (iii) to review connected transactions of the Company and to prepare a report to the Board in accordance with the Listing Rules; and
- (iv) to discuss generally the Company's interim, annual and quarterly, if any, results announcements, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies.
- (c) ***With respect to the compliance program, the legal and regulatory affairs and the environmental and social responsibilities of the Company***
- (i) to discuss with the general counsel and the head of corporate audit:
 - (A) the operation of the Company's global compliance program in particular compliance with the Company's Code of Business Conduct, including the Code of Dealing, and the results of any compliance reviews or reports submitted through the whistleblowing platform;
 - (B) any significant legal, compliance or regulatory matters that may have a material effect on the financial statements or the Company's business or compliance policies, including material notices to or inquiries received from governmental agencies;
 - (C) any violation of law; and
 - (D) sustainability issues and performance in the areas of responsible drinking, environment and community and human rights issues;

(d) *With respect to the Group's financial reporting system, risk management and internal controls within the Company*

- (i) to review the Group's financial controls, and unless expressly addressed by the Board itself, to review the Group's risk management and internal control systems; CGC C.3.3(f)
- (ii) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function; CGC C.3.3(g)
- (iii) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and to consider management's response to these findings; CGC C.3.3(h)
- (iv) to ensure co-ordination between the internal and external auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group and reviewing and monitoring the effectiveness of the internal audit function; CGC C.3.3(i)
- (v) to review the Group's financial and accounting policies and practices; CGC C.3.3(j)
- (vi) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and Management's response; CGC C.3.3(k)
- (vii) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter; CGC C.3.3(l)
- (viii) to report to the Board on the matters in these terms of reference; CGC C.3.3(m)
- (ix) to review arrangements by which employees of the Group may, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters and ensuring that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action; CGC C.3.7(a)
- (x) to act as the key representative body for overseeing the Group's relationship with the external auditor; CGC C.3.7(b)
- (xi) to establish a whistleblowing policy and system for employees and those who deal with the Group (e.g. customer and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Group; and CGC C.3.8 (RBP)
- (xii) to analyse business risks;

(xiii) to review with the Company's CEO and chief financial officer as to the existence of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information, and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting;

(xiv) to discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, and to discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures; and

(xv) to consider any other topics, as defined by the Board.

CGC C.3.3(n)

(e) *With respect to procedures for complaints*

(i) to ensure procedures are established for the receipt, retention and treatment of complaints received by the Company regarding general compliance, accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by Company employees of concerns regarding questionable compliance issues, human rights issues, environmental issues, accounting or auditing matters.

22. In the event the Board disagrees with the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors, the Audit Committee shall provide a statement explaining its recommendations to the Company and also the reason(s) why the Board has taken a different view for inclusion in the Corporate Governance Report issued by the Company in accordance with Appendix 14 of the Listing Rules.

CGC C.3.5

Annual evaluation

23. The Audit Committee should evaluate its own performance, these terms of reference and its membership annually to ensure it is performing its duties effectively, and recommend to the Board any changes it considers necessary.

Terms available

24. The Audit Committee shall make these terms of reference available by inclusion on the websites of the Company and the Stock Exchange in order to explain its role and the authority delegated to it by the Board.

CGC C.3.4