TERM OF REFERENCE
Audit Committee
Terms of Reference

Audit Committee
Revision History

<table>
<thead>
<tr>
<th>Revision No.</th>
<th>Effective Date</th>
<th>Description of Changes</th>
<th>Ref. No.</th>
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<td>00</td>
<td>Feb 7, 2012</td>
<td>Initially formulation</td>
<td>2012/00</td>
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I. Purpose

The Audit Committee is established as a permanent committee of the Board

1.1 The primary audit function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing:

a. the financial information that will be provided to the stakeholders;
b. the systems of internal controls, that management and the Board have established;
c. all audit processes;
d. compliance with laws, regulations and policies that may apply;
e. overseeing the Chamroeun's financial reporting process, including the internal control structure and procedures for financial reporting and monitoring the integrity and appropriateness of the Chamroeun’s financial statements;

1.2 Primary responsibility for the financial reporting, information system and internal controls of Chamroeun is vested in management and is overseen by the Board.

II. Scope and Limitation

2.1 The Audit Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Audit Committee or auditors determine should be brought to the attention of the Board.

2.2 The Audit Committee is authorized by the Board to investigate any activity within its terms of reference. The Audit Committee has access to Chamroeun's senior management and documents as required to fulfill its responsibilities and is provided with the resources necessary to carry out its responsibilities.

2.3 The Committee provides open avenues of communication among management, employees, external and internal auditors and the Board of Directors.

2.4 A resolution in writing signed by all of the members shall be as valid and effectual as if it had been passed at a meeting of the Committee. Any such resolution may be contained in a single document or may consist of several documents all in like form.

2.5 The Chief Internal Auditor shall be given the right of direct access to the chairman of the Committee.

2.6 The Chief Internal Auditor reports directly, and in priority, to the Audit Committee.

III. Role and Responsibility

Subject to the powers and duties of the Board, the Audit Committee will perform the following duties:
AUDIT COMMITTEE RESPONSIBILITIES

3.1. Financial Statements and Other Financial Information

a. The Audit Committee will review and, where appropriate, approve or recommend for approval to the Board financial information that will be made available to shareholders. This includes:

   - review and approve Chamroeun’s annual audited financial statements and report to the Board before the statements are approved by the Board;
   - review and approve at least once the monthly financial statements. This control and approval will be performed whenever the Audit Committee decides to do so, without any previous notice;
   - review and recommend to the Board approval of the annual business plan and budget plan.

b. The Audit Committee will review and discuss:

   - the appropriateness of accounting policies and financial reporting practices;
   - any significant proposed changes in financial reporting and accounting policies and practices to be adopted by Chamroeun;
   - any new or pending developments in accounting and reporting standards that may affect Chamroeun.

3.2. External Audit

The audit committee is responsible to appoint the external auditors. In accordance with Cambodian regulation, the external auditors will be changed at least every 3 years.

The external auditor is ultimately responsible to the Audit Committee and the Board of Directors as representatives of the shareholder. The Audit Committee will review the planning and results of external audit activities and the ongoing relationship with the external auditor. This includes:

a. Meet with the external auditor to discuss the Chamroeun’s annual financial statements and the auditor’s report including the appropriateness of accounting policies and underlying estimates;

b. Any significant accounting or financial reporting issue.

c. The post audit or management letter containing any material findings or recommendation of the external auditor, including management’s response thereto and the subsequent follow up to any identified internal control weaknesses.

d. Provide the opportunity for the audit committee members to meet with the external auditors at least once a year without management.

e. Monitor the relationship between internal and external auditors.
3.3. Internal Audit

The Audit Committee will oversee the internal audit of Chamroeun and the internal auditor's relationship with the external auditor and with Management. In this regard the Audit Committee will:

a. review and approve the terms of the annual internal audit plan and work program including objectives, scope, and timetable;

b. review matters which may affect the independence of the internal auditor including but not limited to the position of the internal audit function within the organization structure of Chamroeun;

c. review and approval of a policy and procedure;

d. review the findings and follow-up of the internal auditor including any significant disagreements between management and the internal auditor with regard to required systems and controls;

e. ensure that direct and open communication exists among the Audit Committee, the external auditor and the internal auditor;

f. provide audit committee members access to the internal auditors and the CIA without the presence of management;

g. communicate the audit committee's expectations to the internal auditor in writing;

h. receive and review reports prepared by internal audit activity in terms of quality and timeliness;

i. monitor the progress of the internal audit plan and work program and considering the implications of internal audit findings for the control and business environment;

j. monitor the implementation of internal audit's findings and recommendations;

k. monitor and reviewing the quality of internal audit services delivered;

l. evaluate the process the company has in place for monitoring and assessing the effectiveness of the internal auditor;

m. oversee the coordination of the planned activities of internal and external audit, and risk and compliance management.

3.4. Others

The Audit Committee will:

a. ensure Chamroeun has established procedures for the receipt and treatment of complaints received regarding accounting or audit matters and anonymous submissions by employees of concerns regarding questionable accounting or auditing matters;

b. review the terms of reference for the Audit Committee annually and make recommendations to the Board as required.
IV. Definition

4.1 CEO – the Chief Executive Officer
4.2 CIA – the Chief Internal Auditor
4.3 Senior management – refer to position as Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief HR Officer, and Chief Internal Auditor.

V. Detail

5.1. Membership

a. The initial member of the Committee has composed by 3 persons as:
   1. Mr. Grégoire HÉAULME Chairperson of the Committee
   2. Ms. Hélène KERAUDREN Member
   3. Ms. Somaly WONG Member

b. The members of the Committee shall be at least three Board members. At least one member of the Committee shall have recent and relevant financial experience.

c. The Chairman of the Committee shall be an independent Board member appointed by the Board.

d. The Committee may also invite the CEO and any relevant senior management to attend meetings but they have no right of voting.

e. The external auditors will be invited to attend meetings of the committee on a regular basis.

5.2. Meeting Frequency

The conducts of meetings will greatly influence the ability of audit committee members to achieve the audit committee’s objectives.

a. Meetings of the committee shall be called by the Chairperson of the committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.

b. 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 and any other person required to attend no later than [5] working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

c. Meetings of the Committee will be held as frequently as the Committee considers appropriate, but it will normally meet not less than four times a year. After the conclusion of each meeting, the Committee members will meet to discuss issues arising out of the meeting and any other issues where required,
notwithstanding that there may be no issues that have arisen or that may require discussion.

5.3. Ground Rule

To conduct the Audit Committee's meeting effectively and efficiently, all members of the Audit Committee should comply with below ground rules:

a. All members should actively and regularly participate in meetings and committee activities.

b. All members should complete action items properly and timely as appointed and agreed in the meeting.

c. Every member is encouraged to contribute idea and comment to ensure that the success of the committee functions.

d. Discussion is focused on the desired agenda item's outcomes and agreed action items are ensured.

e. Chairperson should recap and clarify decisions and action items at the end of each agenda item

5.4. Quorum

a. The meeting can be conducted with quorum at least 51% of committee members with the present of Chairperson.

b. Voting voice on meeting results is effective in case of 50%+1 voices of all qualified members

5.5. Minute

a. Minutes are complete, clear and concise, providing a summary of the issues, outcomes and actions with clear responsibilities and timelines attached.

b. Draft minutes are provided to the chair at least [5] working days after meeting for review and approval and then send to audit committee members within two weeks of the meeting

c. The minutes of meetings of the Committee shall be circulated to all members of the Committee and the Chairman of the Board, and made available on request to other members of the Board.

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

e. Minute is written in both Khmer and English; in case of discrepancy, Khmer version is the valid one.

f. The original meeting minute must be kept with Internal Audit Department for documentary and archiving purpose.

g. The chairperson should brief the board on significant issues

h. The minutes are signed by the chairperson at the subsequent meeting
VI. Validity

6.1 This Term of Reference will be amended according to real situation of operation.

6.2 This Term of Reference is valid for official application from the date of acknowledgment and signature by the committee members.

VII. Reference

7.1 The Shareholders Minute Meeting held on December 20, 2011 at Paris

VIII. Annex

8.1 Minute Meeting Form               FM-AC-001-00
8.2 Audit Committee Resolution Form   FM-AC-002-00

IX. Acknowledgement

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<th>No.</th>
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<tr>
<td>1</td>
<td>Mr. Grégoire HÉAULME</td>
<td>Chairperson</td>
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<tr>
<td>2</td>
<td>Ms. Hélène KERAUDREN</td>
<td>Member</td>
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<td>3</td>
<td>Ms. Somaly WONG</td>
<td>Member</td>
<td>27/04/2012</td>
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