

**BANK OF AMERICA MALAYSIA BERHAD**  
**(the "Company")**  
**COMMITTEE CHARTER**  
**(the "Charter")**

**Audit Committee**

**Reviewed and approved by the Board of Directors on: 28 October 2021**

**1. Scope of Authority**

The Audit Committee (the "**Committee**") is a committee of the Company's Board of Directors (the "**Board**" and each member, a "**Director**") responsible for providing independent oversight of the Company's financial reporting, internal and external audit function, internal controls and to ensure that appropriate checks and balances exist within the Company. The Committee will report to the Board as required.

The Committee is authorized to investigate any activity or matter within this Charter or authorized by the Board. In the event that the Committee is uncertain regarding the authority of the Committee in respect of any matter(s), the Committee shall refer such matter(s) to the Board.

The Committee shall have full and unrestricted access to information as it may reasonably require and be able to obtain independent professional advice as deemed necessary.

**2. Scope of Duties**

The Committee is responsible for:

**Fair and Transparent Reporting**

- i. exercising oversight to ensure fair and transparent reporting and prompt publication of the financial accounts;

**Effectiveness of Internal Audit**

- ii. overseeing the effectiveness of the internal audit function and its programme and ensuring compliance with the relevant regulations;
- iii. reviewing and approving the proposed annual risk-based audit plan, and the Company's internal corporate audit charter;
- iv. reviewing key audit reports and exercising oversight to ensure that senior management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit function and other control functions;

- v. overseeing any significant disagreements between the chief internal auditor and the rest of the senior management team, irrespective of whether these have been resolved, in order to identify any impact the disagreements may have on the audit process or findings;
- vi. establishing a mechanism to assess the performance and effectiveness of the internal audit function;
- vii. establishing an appropriate mechanism to address and manage situations where there is a threat to the objectivity of internal audit;
- viii. exercising oversight to ensure that adequate and appropriate resources are made available to the internal audit function for the Company audit coverage, in consultation with APAC Corporate Audit Management;
- ix. exercising oversight to ensure that the terms and scope of the engagement of external experts, the working arrangement with the internal auditors and reporting requirements are clearly established;
- x. exercising oversight to ensure effective internal audit function in assessing and evaluating the robustness and adequacy of controls implemented to prevent money laundering/terrorist financing;
- xi. exercising oversight to ensure the effectiveness of the internal technology audit function, including the adequate competence of the audit staff to perform technology audits; reviewing and exercising oversight to ensure appropriate audit scope, procedures and frequency of technology audits; and ensuring effective oversight over the prompt closure of corrective actions to address technology control gaps;

#### **Internal Controls**

- xii. reviewing the effectiveness of the internal controls and risk management processes;
- xiii. reviewing the accuracy and adequacy of the chairperson of the Committee's (the "**Chairperson**") statement in the Directors' report, corporate governance disclosures and interim financial reports in relation to the preparation of financial statements;
- xiv. reviewing third-party opinions on the design and effectiveness of the Company's internal control framework;
- xv. reviewing an effective internal control system for anti-money laundering and counter-terrorist financing ("**AML/CFT**") and maintaining adequate oversight of the overall AML/CFT measures undertaken by the Company;

#### **External Auditor**

- xvi. making recommendations to the Board on the appointment, re-appointment, remuneration, removal and resignation of the external auditor;
- xvii. monitoring and assessing the suitability and independence of the external auditor, including by approving the provision of any non-audit services by the external auditor and ensuring oversight over proper checks and balances so that the provision of any non-audit services does not interfere with the independent judgement of the external auditor;
- xviii. monitoring and assessing the effectiveness of the external audit, including having regular, timely, open and honest communications with the external auditor and meeting with the external auditor without the presence of senior management at least once a year;
- xix. reviewing the external auditor's audit plan, scope of its audits, their audit reports, management letter and discuss any matters with the external auditors may wish to raise;
- xx. regularly reviewing the audit findings and ensuring that issues are being managed and rectified appropriately and in a timely manner by management;

### **Related Party Transactions**

- xxi. reviewing all related party transactions and keeping the Board informed of such transactions; and

### **Conflicts of Interest**

- xxii. monitoring compliance with the Board's Conflict of Interest Policy.

## **3. Membership**

- The Committee shall be comprised of at least three (3) members (each, a "**Member**"), two (2) of whom must be Independent Directors.
- The Members and the Chairperson shall be appointed and removed by the Board.
- At least one (1) Member shall have accounting expertise or experience in the field of finance.
- The Committee shall be chaired by an Independent Director. The current Members are listed in Appendix 1.
- Where a Member ceases to be a Director they shall also cease to be a Member on the same date.
- Representatives from the Company's external auditor, Corporate Audit, or Finance, any other members of senior management or other persons duly authorised by the Board can be invited to attend the Committee meetings in an advisory capacity by the Committee members.
- Each Member shall be entitled to one (1) vote.

## **4. Quorum / Decision Making**

- The presence of two (2) Members who are Independent Directors shall constitute a quorum.
- A Member in telephonic or audio-visual communication during the course of a meeting of the Committee shall be considered to be present at said meeting.
- Decisions of the Committee shall be made by a simple majority of those Members present at a duly convened meeting.
- In lieu of a meeting, the Committee shall act by unanimous written consent of all Members.
- In the event that there are only two (2) Members present at a duly convened meeting, decisions of the Committee shall be made unanimously.
- In order to avoid conflicts of interest, a Member shall observe the disclosure obligations and other responsibilities as prescribed and amended from time to time by Bank Negara Malaysia and as required by the Company, and abstain from participating in discussions and decisions on matters involving him/her.
- In the absence of the Chairperson, the Chairperson shall delegate the authority to another Member who shall act as the Chairperson of the meetings of the Committee.
- Any Directors, the Chief Executive Officer, senior officers of the Company and/or persons duly authorized by the Board may be invited to attend all or part of any meeting of the Committee as and when appropriate.

## 5. Frequency of Meetings

The Committee shall meet at least once every quarter and on an ad-hoc basis as needed in order to perform its duties.

## 6. Notice of Meetings

Notice of a meeting of the Committee shall be issued to all Members at their place of business upon advice by the company secretary of the Company (the “**Company Secretary**”) or the Chairperson. Such notice shall be in writing including by electronic transmission. The secretary to the Committee shall be the Company Secretary or their nominee.

## 7. Minutes of Meetings

The Company Secretary shall attend all meetings of the Committee and shall keep proper records which shall be available to the Board and all Members.

## 8. Reporting Responsibilities

- The Committee shall report to the Board any matters identified within its remit which it considers that action or improvement is needed, and make recommendations as to the steps to be taken.
- The Committee meeting minutes shall be approved at the subsequent Committee meeting, and shall also be circulated to the Board for review at the subsequent Board meeting.

## 9. Delegation of Authority

- The Committee may form and delegate authority to subcommittees comprised of one or more Members.
- Each subcommittee shall have the full power and authority to act in lieu of, and on behalf of, the Committee in respect of all matters prescribed hereunder and within its authority.
- The Committee may also create management routines to address specific needs.

## 10. Other Matters

- Information - Management shall ensure that all information relevant to the discharge by the Committee of its duties, detailed above, is provided to the Committee. Management will also ensure that matters of material concern that are relevant to the Committee’s responsibilities are promptly brought to the attention of the Committee.
- External Advice - The Committee has been delegated authority by the Board. The Board delegates to the Committee, in order to further the performance of the Committee’s regulatory responsibilities, the power and authority to obtain, at its discretion, advice and assistance from internal or external financial, legal,

accounting or other advisors as may be required and to ensure the Company's compliance with applicable regulations.

- Amendments – The Committee shall review and reassess this Charter annually and propose any recommended changes for approval by the Board, as appropriate. Outside the annual approval process, any proposed changes to this Charter related to functional title descriptions or membership replacements for roles of similar scope or seniority (not additions or deletions) or typographical errors may be approved by the Chairperson and the Committee with notification to the Board.

**Appendix 1**  
**Current Committee Members**

The Committee is comprised of the following voting members:

- i. Dato' Mohammed Bin Haji Che Hussein (Chairperson and Independent Director);
- ii. Pn. Ayesha Natchiar Binti Dato Ally Maricar (Independent Director)<sup>1</sup>; and
- iii. Mr. Kellee Kam Chee Khiong (Independent Director).

*Note <sup>1</sup>: Replaced by Mr. Anthony Lim Choon Eng on 1 November 2021*