

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

Audit Committee

Reviewed and approved by the Board on: 25 October 2019

1. Scope of Authority

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

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

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

2. Scope of Duties

The Committee is responsible for:

Fair and Transparent Reporting

- Ensuring fair and transparent reporting and prompt publication of the financial accounts;

Effectiveness of Internal Audit

- Oversight of the effectiveness of the internal audit function and its programme and ensuring compliance with the relevant regulations;
- Reviewing and approving the proposed annual risk-based Audit Plan, and the Company's Corporate Audit Charter;
- Reviewing key audit reports and ensuring 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;
- Noting 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; and
- Establishing a mechanism to assess the performance and effectiveness of the internal audit function.

Internal Controls

- Reviewing the effectiveness of the internal controls and risk management processes;
- Reviewing the accuracy and adequacy of the Chairman's statement in the directors' report, corporate governance disclosures and interim financial reports in relation to the preparation of financial statements; and
- Reviewing third-party opinions on the design and effectiveness of the Company's internal control framework.

External Auditor

- Making recommendations to the Board on the appointment, removal and remuneration of the external auditor;
- Monitoring and assessing the independence of the external auditor, including by approving the provision of any non-audit services by the external auditor and to ensure proper checks and balances so that the provision of any non-audit services does not interfere with the independent judgement of the auditor;
- 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 annually;
- Reviewing the external auditor's audit plan, management letter and response;
- Regularly reviewing the audit findings and ensuring that issues are being managed and rectified appropriately and in a timely manner by management; and

Related Party Transactions

- Reviewing all related party transactions and keeping the Board informed of such transactions.

Conflicts of Interest

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

3. Membership

The members and chair of the Committee shall be appointed and removed by the Board. The Committee shall be comprised of three Non-Executive Directors of which two must be Independent Non-Executive Directors. The Committee should be chaired by an Independent Non-Executive Director. At least one member should have accounting expertise or experience in the field of finance. The current members of the Committee are as described in Appendix 1. Where a person ceases to be a member of the Board, they shall also cease to be a member of the Committee.

Representatives from the Company's external auditor, Corporate Audit, or Finance, or any other members of senior management can be invited to attend the Committee meetings in an advisory capacity by the Committee members.

4. Quorum / Decision Making

The presence of two Independent Non-Executive Directors shall constitute a quorum. A member in telephonic or audio-visual communication during the course of a meeting shall be considered to be present at said meeting.

Decisions of the Committee shall be made by a simple majority of its voting members present at a duly convened meeting. In lieu of a meeting, the Committee may also act by written consent of all of its voting members.

5. Frequency of Meetings

The Committee shall meet at least once every quarter and as and when needed in order to perform its duties.

6. Notice of Meetings

Notice of a meeting of the Committee shall be issued to all members of the Committee at their place of business upon advice by the Company Secretary or the Committee Chairperson. Such notice may be verbal or in writing including by electronic transmission.

7. Minutes of Meetings

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

8. Reporting Responsibilities

The Committee will report to the Board, identifying any matters within its remit in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.

The Committee meeting minutes shall be approved at the subsequent Committee meeting. It shall also be circulated to the Board members for notation at the subsequent Board meeting.

9. Delegation of Authority

The Committee may form and delegate authority to subcommittees comprised of one or more voting members of the Committee. 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 within its authority. The Committee may also create management routines to address specific needs.

10. Other Matters

Information - Management will ensure that all information relevant to the discharge by the Committee of its duties, detailed above, is provided to the Committee (as requested by the Committee). Management will also ensure that matters of material concern that are relevant to the Committee's responsibilities are brought to the attention of the Committee promptly.

External Advice - The Committee has been delegated authority by the Company's Board of Directors. 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 to the Company's compliance with applicable regulation.

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 Charter changes 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 with notification to the Board.

Appendix 1
Current Members of the Committee

The Committee will comprise of the following members:

- Dato' Mohammed Bin Haji Che Hussein (Chairperson and Independent Director)
- Ayesha Natchiar Binti Dato Ally Maricar (Independent Director)
- David Allan Cairns (Independent Director)