

15 December 2022

Terms of Reference

Audit Committee of the Board

**TERMS OF REFERENCE OF THE
AUDIT COMMITTEE OF THE BOARD (“ACB” or “Committee”)**

Size and Composition	The minimum number of members is three (3). The Committee shall comprise only non-executive directors, of which all shall be independent.
Chairman	Ms Shirley Goh <i>(Independent Non-Executive Director)</i> <i>The Committee shall be chaired by an Independent Non-Executive Director (“INED”).</i>
Members	Encik Shariffuddin Khalid <i>(Independent Non-Executive Director)</i> Ms Che Zakiah Che Din <i>(Independent Non-Executive Director)</i> Dato’ Zulkiflee Abbas Abdul Hamid <i>(Independent Non-Executive Director)</i> Dr. Hasnita Dato’ Hashim <i>(Independent Non-Executive Director)</i>
Secretary	The Group General Counsel & Company Secretary/Joint Company Secretary and/or their nominee(s).
Quorum	At least 51% of the number of members must be present to form a quorum.
Meeting Frequency	At least eight (8) times a year
Conduct of Meetings	Meetings can be conducted physically or by means of teleconference, video conference or such other communication facilities available from time to time which would permit all members participating in the said meeting to communicate with each other simultaneously and instantaneously and to vote at such meetings. Participation of the members shall be treated as presence in person at the meeting and shall be counted as quorum for the meeting. In the absence of the Chairman, the members shall elect a member from among the INEDs as Chairman. Upon the request of the external auditor, a meeting is to be convened to consider any matter that the auditor believes should be brought to the attention of the directors and shareholders.
Resolution Passed/Approved	Resolutions proposed at meeting or by circular to be passed by majority.
Roles and Responsibilities	1. The Committee is authorised by the Board to:- a. Investigate any activity or matter within its terms

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	<p>of reference.</p> <ul style="list-style-type: none"> b. Have the resources which are required to perform its duties. c. Have full and unrestricted access to any information and documents relevant to its activities. d. Have direct communication channels with external auditors, person(s) carrying out the internal audit function or activity and to senior management of the Bank and its subsidiaries. e. Promptly report to the Bursa Malaysia Securities Berhad, matters which have not been resolved satisfactorily, thus, resulting in a breach of the listing requirements. f. Obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary. g. Convene meetings with internal and/or external auditors, without the attendance of the other directors and employees, at least twice (2) in a financial year. h. Undertake or perform any other activities as the Committee considers appropriate or as the Board shall so decide from time to time. i. Carry out such other responsibilities as may be delegated to it by the Board from time to time. <p>2. The primary duties and responsibilities of the Audit Committee shall include reviewing, appraising and reporting to the Board of Directors on the following:</p> <p>2.1 In respect of internal audit:-</p> <ul style="list-style-type: none"> a. To review and recommend for the Board's approval the internal audit charter b. To review and approve the internal audit scope and the audit plan, covering both local and overseas operations[^]. c. To review and assess the adequacy of the scope, functions, and internal audit resources, including their remuneration, to ensure that the IA function has the necessary authority and resources to carry out its works. d. To review and assess the internal audit reports and 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 and other control functions. e. To review and recommend for the Board's approval [in consultation with the Nomination & Remuneration Committee ("NRC")] the appointment, remuneration,
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	<p>performance, and termination of the Group Chief Audit Executive (“GCAE”).</p> <ul style="list-style-type: none"> f. To review and assess the performance of senior internal audit staff, including their remuneration and annual increment. g. To take cognisance of the resignation of internal audit staff and the reason of resignation. h. To note significant disagreements between the GCAE 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. i. To establish a mechanism to assess the performance and effectiveness of the internal audit function and to manage situations where there is a threat to the objectivity and independence of internal audit. <p>2.2 In respect of external audit:-</p> <ul style="list-style-type: none"> a. To review the appointment, termination and resignation of the external auditors and its audit fee, and to make the appropriate recommendations to the Board regarding the same, as the Committee deems fit. b. To approve the scope of external audit and the audit plan of the external auditors covering both local and overseas operations[^]. c. To review the performance of the external auditors and to assess the qualification, expertise, resources and effectiveness of the external auditors, including the assessment of the external auditors’ objectivity and performance. d. To review the independence of the external auditors^{^^}. e. To review the external auditor’s evaluation of the adequacy and effectiveness of the system of internal controls. f. To review the Memorandum of Recommendations by the external auditors and the Management’s responses, including the status of previous audit recommendations. g. To review the assistance given by the Group’s officers to the external auditors and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information. h. To approve the non-audit fees/services provided by the external auditors. i. To maintain regular, timely, open and
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	<p>honest communication with the external auditor, and requiring the external auditor to report to the Board and the Committee on significant matters.</p> <p>Notes:- ^ To the extent permissible pursuant to the applicable laws, rules and regulations of each jurisdiction in which the Group operates. ^^Excluding the review of external auditors appointed by operating entities which has established their own audit committees (that will likewise review the independence of their respective external auditors).</p> <p>2.3 To review the quarterly results and year-end financial statements focusing particularly on the reliability of the information disclosed therein, changes in accounting policy, significant matters highlighted, including financial reporting issues, significant judgments made by management, significant and unusual events or transactions and how these matters are addressed, compliance with accounting standard and other legal requirements.</p> <p>2.4 To review any related party transactions and conflict of interest situations that may arise within the Bank or Group including any transaction, procedure or course of conduct that raises questions with regard to the Management’s integrity.</p> <p>2.5 To review and recommend for the Board’s approval the contents of the Audit Committee Report and corporate governance disclosures as may be required by the relevant regulators, for inclusion in the Group’s Annual Report.</p> <p>2.6 To review and recommend for the Board’s approval the annual “Statement of Risk Management & Internal Control” for inclusion in the Group’s Annual Report.</p> <p>2.7 To monitor compliance with the Board’s Conflict of Interest Policy.</p>
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Notes to the TOR of ACB Pertaining to the Additional Requirements on Composition of the ACB pursuant to the Bursa Malaysia's Main Market Listing Requirements, the Malaysian Code of Corporate Governance and any subsequent amendments thereto

1. At least one member of the Committee must be:
 - a. A member of the Malaysian Institute of Accountants (“MIA”); or
 - b. If he is not a member of the MIA, he must have at least three (3) years’ working experience; and
 - i. He must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - ii. He must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - c. Fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
2. Should a former audit partner be appointed as a member of the Committee (“the Candidate”), the Candidate is required to observe a cooling - off period of at least three (3) years from the date he ceases to be a partner of the firm which has been appointed as the external auditor of the Bank, before being appointed as a member of the Committee.
3. In the event of any vacancy in the Committee resulting in the non-compliance with the above requirement, the vacancy must be filled within 3 months.
4. A review of the Committee and performance of its members (including their respective terms of office) shall be undertaken annually by the Nomination and Remuneration Committee of the Bank.