

THE BANK OF NOVA SCOTIA BERHAD

TERMS OF REFERENCE OF THE BOARD AUDIT COMMITTEE

The Bank Of Nova Scotia Berhad

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A. MANDATE AND AUTHORITY

1. To perform such duties as may be required by the Financial Services Act 2013, the regulations thereunder and guidelines of the Central Bank of Malaysia (Bank Negara Malaysia referred as “BNM”), as well as other applicable legislation and regulations.
2. To assist the Board of Directors (“the Board”) in fulfilling its oversight responsibilities for:
 - the integrity of financial statements and quarterly financial results of The Bank of Nova Scotia Berhad “BNSB”;
 - BNSB’s compliance with legal and regulatory requirements;
 - the system of internal control, including internal control over financial reporting and disclosure controls and procedures;
 - BNSB’s internal audit, finance, compliance and anti-money laundering functions
3. To perform such other duties as may from time to time be assigned to the Committee by the Board.
4. The Committee has authority to:
 - Conduct or authorize investigations into any matters within its scope of responsibility;
 - Meet with BNSB officers, the external auditor or outside counsel, as necessary;
 - Communicate directly with the internal and external auditors;
 - Receive all material correspondence between the external auditor and management related to audit and interim review findings.

B. COMPOSITION OF MEMBERS

The Committee shall be appointed by the Board and shall consist of a minimum of three (3) members, none of whom shall be full-time executives of The Bank of Nova Scotia Berhad. The majority of the Committee members shall be independent non-executive directors and the Audit Committee shall elect a Chairman among them who is an independent director.

C. MEETINGS

1. The Committee shall meet not less than 4 times a year.
2. The external and internal auditors shall have free access to the Committee. The auditors shall be allowed to attend and be heard at any meeting of the Committee.
3. Upon the request of the auditors, the Chairman of the Committee shall convene a meeting to consider any matter that the auditor believes should be brought to the attention of the directors and shareholders.

D. QUORUM

Majority of the committee members is required to form a quorum in respect of the meeting.