

**HONG LEONG ASSURANCE BERHAD (“the Company”)  
- BOARD CHARTER**

The Board Charter sets out the mandate, responsibilities and procedures of the Board and Board Committees in accordance with principles of good governance set out in the policy documents and guidelines issued by BNM and other relevant regulatory authorities.

The Board shall periodically review and update the Board Charter in tandem with any changes to regulatory requirements.

**1. Introduction**

- 1.1 The Board has the overall responsibility for promoting the sustainable growth and financial soundness of the Company.
- 1.2 The Board elects a Chairman whose primary responsibility is the effective overall functioning of the Board.
- 1.3 The Board appoints a CEO who is responsible for the business and day-to-day management of the Company.

**2. Terms of Reference (“TOR”) of the Board**

The main responsibilities of the Board are to:

- 2.1 review from time to time and approve the Company’s corporate mission, statement and broad strategies, risk appetite, business plans and other initiatives which would have a material impact on the Company’s risk profile including financial soundness, reputation and key operational controls and ensure that there is an appropriate risk management framework and appropriate systems to manage these risks;
- 2.2 approve the internal capital target, Internal Capital Adequacy Assessment Process (“ICAAP”) and Capital Management framework;
- 2.3 ensure that senior management discharges its responsibilities for the development and effective implementation of ICAAP;
- 2.4 review and approve specific investments and divestments;
- 2.5 review and approve material transactions before implementation;
- 2.6 ensure that the Company has adequate management resources to achieve its objectives and to support the CEO and that a satisfactory plan for succession management is in place;
- 2.7 ensure that the Company has in place procedures to enable effective communication with stakeholders;
- 2.8 promote timely and effective communication between the Company and Bank Negara Malaysia on matters affecting or that may affect the safety and soundness of the Company;

## **2. Terms of Reference (“TOR”) of the Board**

- 2.9 oversee and review the adequacy and integrity of the Company’s governance framework, internal control framework and management information framework, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- 2.10 promote, together with senior management, a sound corporate culture within the Company which reinforces ethical, prudent and professional behaviour in the conduct of business;
- 2.11 promote sustainability through appropriate environmental, social and governance considerations in the Company’s business strategies;
- 2.12 ensure the integrity of the Company’s financial and non-financial reporting;
- 2.13 establish and regularly review succession plans for the Board to promote board renewal and address any vacancies;
- 2.14 oversee the selection, performance, remuneration and succession plans of the CEO, control function heads, material risk takers and other members of senior management. The Board may delegate matters relating to appointments and assessment of senior management, control function heads and, material risk takers to Board Committees and/or CEO as the Board deems fit; and
- 2.15 approve and review periodically the remuneration policy of the Company.

The remuneration for each director, senior management and material risk takers must be approved by the Board annually.

## **3. Responsibilities of the Chairman**

The Chairman is responsible to lead and coordinate the activities of the Board and has the following specific responsibilities:

- 3.1 to conduct meetings of the Board and of shareholders;
- 3.2 to schedule Board meetings in a manner that enables the Board and its Committees to perform their duties effectively;
- 3.3 to prepare, in consultation with the CEO, other directors and Committee chairmen the agendas for the Board and Committee meetings;
- 3.4 to ensure all strategic and critical issues are considered by the Board and that directors receive the relevant information on a timely basis; and
- 3.5 to encourage healthy discussion and ensure that dissenting views can be freely expressed and discussed.

#### **4. Responsibilities of the CEO**

The CEO is the senior executive of the Company and is responsible for:

- 4.1 formulating the vision for the Company and recommending policy and the strategic direction of the Company for approval by the Board;
- 4.2 providing management of the day to day operations of the Company;
- 4.3 acting as the spokesman of the Company;
- 4.4 implementing the business and risk strategies, remuneration and other policies in accordance with the direction given by the Board;
- 4.5 establishing a management structure that promotes accountability and transparency throughout the Company's operations, and preserves the effectiveness and independence of control functions;
- 4.6 promoting, together with the Board, a sound corporate culture within the Company which reinforces ethical, prudent and professional behaviour in the conduct of business;
- 4.7 addressing actual or suspected breaches of regulatory requirements or internal policies in a timely and appropriate manner; and
- 4.8 regularly updating the Board with the material information the Board needs to carry out its oversight responsibilities, particularly on matters relating to—
  - (i) the performance, financial condition and operating environment of the Company;
  - (ii) internal control failures, including breaches of risk limits; and
  - (iii) legal and regulatory obligations, including supervisory concerns and the remedial actions taken to address them.

#### **5. Board Committees**

The Board has established the following Board Committees whose compositions, functions, responsibilities and authority delegated by the Board are set out in the respective Board Committees' terms of reference per Appendix A:

- HLA Holdings Sdn Bhd ("HLAH") Group Board Audit Committee
- HLAH Group Board Risk Management Committee
- Nomination Committee
- Remuneration Committee

Board Committees shall report, update and keep the Board informed on the significant issues, key deliberations, recommendations and decisions on delegated matters.

## **6. Matters Reserved & Delegated by the Board**

The responsibilities and procedures of the Board and the Board Committees are set out in their respective Terms of Reference.

Matters reserved for the Board's decision include the following:

- 6.1 business direction and key strategies;
- 6.2 new or changes to the Strategic Business Plans;
- 6.3 mergers and acquisitions;
- 6.4 expansion/entry into new markets and regions;
- 6.5 corporate restructuring/reorganisation;
- 6.6 set-up of new subsidiaries; joint venture partnerships;
- 6.7 new investments/acquisitions/disposals of significant assets; and
- 6.8 any other matters deemed necessary by the Board

The Board may delegate authority on any of the above matters to the Board Committees, CEO, management committees or senior management as it deems fit.

## **7. Proceedings of Directors**

- 7.1 The proceedings of Directors, where applicable, shall be governed by the provisions of the Constitution of the Company and the relevant laws and regulations regulating the proceedings of Directors.
- 7.2 A Director must attend at least 75% of the board meetings held in each financial year, and must not appoint another person to attend or participate in a board meeting on his behalf.
- 7.3 Attendance at a board meeting, by way other than physical presence, shall remain the exception rather than the norm, and is subject to appropriate safeguards to preserve the confidentiality of deliberations.
- 7.4 At least half of the number of the Board members shall form a quorum.
- 7.5 A director who has, directly or indirectly, an interest in a material transaction or material arrangement shall not be present at the board meeting where the material transaction or material arrangement is being deliberated by the Board.

## **8. Conflict of Interest**

The Company has established a Directors' Conflict of Interest Policy.

## **9. Director's External Commitments**

Directors shall devote sufficient time to carry out their responsibilities. All Directors are expected to commit time as and when required to discharge his/her duties and responsibilities, besides attending meetings of the Board and Board Committees.

Directors shall notify the Board Chairman before accepting any new directorships.

A Director of the Company shall not hold more than five directorships in public listed companies.



## **HLA HOLDINGS SDN BHD (“HLAH” or the “Company”) - GROUP BOARD AUDIT COMMITTEE Constitution**

The Group Board Audit Committee (“GBAC”) of HLAH has been established since 13 December 2017.

The GBAC is established to support the Board in discharging the following responsibilities:

1. Oversee management’s implementation of the Company and its subsidiaries’ governance framework and internal control framework/policies.
2. Oversee that management has a reliable and transparent financial reporting process within the Company by providing independent oversight of internal and external audit functions.

### Group Governance

1. Noted that :
  - a) Hong Leong Financial Group Berhad (“HLFG”) as an apex entity has overall responsibility for ensuring the establishment and operation of a clear governance structure within its group of companies (“HLFG Group”).
  - b) HLFG Board’s responsibility is to promote the adoption of sound corporate governance principles throughout the HLFG Group.
  - c) HLFG’s audit, risk and compliance functions may propose objectives, strategies, plans, governance framework and policies for adoption and implementation HLFG Group-wide.
  - d) The respective subsidiaries’ board of directors and Senior Management must validate that the objectives, strategies, plans, governance framework and policies set at HLFG level are fully consistent with the regulatory obligations and the prudential management of the subsidiary and ensure that entity specific risks are adequately addressed in the implementation of HLFG Group-wide policies.
2. The GBAC shall validate that the objectives, strategies, plans, governance framework and policies set at HLFG level are fully consistent with the regulatory obligations and the prudential management of the subsidiary and to check that the entity specific risks are adequately addressed in the implementation of HLFG Group-wide policies.
3. HLAH, as the financial holding company of the Insurance and Takaful entities of the HLFG Group (“Insurance Group”) shall align the responsibilities as set out in item (1) and (2) above for the Insurance Group.

### **Composition**

The GBAC shall –

- (a) have at least five directors;
- (b) comprise only non-executive directors, with a majority of them being independent directors;
- (c) be chaired by an independent director who is not the Chairman of the Board; and
- (d) comprise directors who have the skills, knowledge and experience relevant to the responsibilities of the GBAC.



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## Secretary

The Secretary(ies) to the GBAC is the Company Secretary(ies) of the Company.

## Terms Of Reference

### External Audit

1. To make recommendations to the Board of the Company and its subsidiaries on the appointment, removal and remuneration of the external auditor, where applicable.
2. To review the terms of engagement and the audit plan prior to engaging the external auditor and/or re-appointment of the external auditor.
3. To monitor and assess the independence of the external auditor, including the approval of non-audit services by the external auditor.
4. To review the assistance given by the officers of the Company and its subsidiaries to the external auditor, where applicable.
5. To maintain regular, timely, open and honest communication with the external auditor, and requiring the external auditor to report to the GBAC on significant matters.
6. To review the report of the external auditor, including any significant matters, and to ensure that management has taken the necessary corrective actions in a timely manner to address the external audit findings and recommendations.
7. To review third-party opinions on the design and effectiveness of the Company and its subsidiaries' internal control framework, where applicable.

### Financial Reporting

1. To review the accuracy and adequacy of the chairman's statement in the directors' report and corporate governance disclosures of the Company and its subsidiaries, where applicable.
2. To review the interim financial reports and annual financial statements of the Company and its subsidiaries before submission to the Board of the Company and its subsidiaries where applicable, focusing particularly on changes in accounting policies and practices, significant adjustments arising from the audit, the going concern assumptions, and compliance with accounting standards and other legal requirements.
3. To note the update on the Company and its subsidiaries tax affairs, management of tax compliance risk and tax matters that may have a material impact to the Company and its subsidiaries.

### Related Party/Connected Party Transactions

1. To review and update the Board of the Company and its subsidiaries on any related party transactions that may arise within the Group, where applicable.
2. To monitor compliance with the Board of the Company and its subsidiaries' conflict of interest policy, where applicable.

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### Internal Audit

1. To review and approve the adequacy of the internal audit scope, procedures, frequency and plan, and assess the performance and effectiveness of the internal audit function.
2. To review the adequacy and effectiveness of internal controls and risk management processes.
3. To review reports and significant findings by internal audit function, including any findings of internal investigations, and to ensure that management has taken the 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.
4. To review reports and findings issued by regulatory authorities, and to check that management has taken the necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by the regulatory authorities.
5. To support the Board of the Company and its subsidiaries in meeting the expectations on internal audit management as set out in BNM's "Guidelines on Internal Audit Function of Licensed Institutions".
6. To decide on the appointment, remuneration, appraisal, transfer and dismissal of the Head of Internal Audit, and to provide oversight on the adequacy of resources and remuneration of the internal auditors.
7. To engage privately with the Head of Internal Audit on a regular basis (and in any case at least once annually) to provide the opportunity for the Head of Internal Audit to discuss issues faced by the internal audit function.
8. To review the Audit Charter of the Company and its subsidiaries and recommend for respective Board's approval.
9. To review any significant disagreement between the Head of Internal Audit and any member(s) of the Senior Management team where such disagreement may have adverse impact on the audit process or findings, and to recommend resolutions of such disagreement if they remain unresolved within a reasonable period of time.
10. To establish an appropriate mechanism to address and manage situations where there is a threat to the objectivity of internal audit.
11. To satisfy itself that the internal audit function is effective by establishing a mechanism to assess its performance and effectiveness.
12. To ensure that the terms and scope of the engagement, the working arrangements with the internal auditors and reporting requirements are clearly established when engaging external experts, where the internal audit function lacks the expertise needed to perform the audit of specialized areas.
13. Other audit functions as may be agreed to by the GBAC and the Board of the Company and its subsidiaries.

## Whistleblowing

1. In relation to the Company and its subsidiaries' Whistleblowing Policy and Procedures:
  - a) oversee the implementation and effectiveness of the Company and its subsidiaries' Whistleblowing Policy and Procedures; and
  - b) exercise its powers and carry out its responsibilities as set out under the Company and its subsidiaries' Whistleblowing Policy and Procedures.

## **Authority**

The GBAC is authorised by the Board of the Company and its subsidiaries to:

1. review any activity of the Group within its Terms of Reference;
2. seek any information it requires from any Director or member of Senior Management, and all employees are directed to co-operate with any request made by the GBAC, including but not limited to providing the GBAC with sufficient support and resources required to investigate any matter within the mandates of the GBAC; and
3. obtain independent legal or other professional advice if it considers necessary.

The Board remains fully accountable for any authority delegated to the GBAC.

## **Meetings**

The GBAC meets at least six (6) times a year and additional meetings may be called at any time as and when necessary. All meetings to review the quarterly reports and annual financial statements are held prior to such financial updates and annual financial statements being presented to the Board of the Company and its subsidiaries for approval.

The Group Managing Director/Chief Executive Officer, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer, Head of Internal Audit, other Senior Management, employees and external auditors may be invited to attend the GBAC meetings, whenever required.

At least twice a year, the GBAC will have separate sessions with the external auditors without the presence of the management.

Issues raised, discussions, deliberations, decisions and conclusions made at the GBAC meetings are recorded in the minutes of the GBAC meetings. A GBAC member who has, directly or indirectly, an interest in a material transaction or material arrangement shall not be present at the GBAC meeting where the material transaction or material arrangement is being deliberated by the GBAC.

Majority with at least one representative from each of the BNM regulated entities in the HLAH Group in Malaysia, who shall be independent and non-executive, shall constitute a quorum.

After each GBAC meeting, the GBAC shall report and update the Board of each of the BNM regulated entities in the HLAH Group in Malaysia on significant issues and concerns discussed during the GBAC meetings and where appropriate, make the necessary recommendations to the Board of each of the BNM regulated entities in the HLAH Group in Malaysia.





## **Revision of the Terms of Reference**

Any revision or amendment to the Terms of Reference, as endorsed by the GBAC, shall first be presented to the Board of each of the BNM regulated entities in the HLAH Group in Malaysia for approval. Upon the Boards' approval, the said revision or amendment shall form part of this Terms of Reference which shall be considered duly revised or amended.

**HLA HOLDINGS SDN BHD (“HLAH” or “the Company”)**  
**- GROUP BOARD RISK MANAGEMENT COMMITTEE**

**Constitution**

The Group Board Risk Management Committee (“GBRMC”) of HLAH has been established since 13 December 2017.

The GBRMC is established to support the Board of Directors (“the Board”) in promoting the adoption of the sound corporate governance principles set out in Policy Document on Corporate Governance, and oversee the following:

1. Management’s implementation of the Company and its subsidiaries’ governance framework and internal control framework/policies;
2. Management meets the expectations on risk management and compliance as respectively set out in :
  - Policy Document on Risk Governance,
  - Policy Document on Compliance; and
3. Management’s implementation of compliance risk management.

**Group Governance**

- 1a) Hong Leong Financial Group Berhad (“HLFG”) as an apex entity has overall responsibility for ensuring the establishment and operation of a clear governance structure within its group of companies (“HLFG Group”).
  - 1b) HLFG Board’s responsibility is to promote the adoption of sound corporate governance principles throughout HLFG Group.
  - 1c) HLFG’s risk and compliance functions may propose objectives, strategies, plans, governance framework and policies for adoption and implementation throughout HLFG Group.
  - 1d) The respective subsidiaries’ Board and Senior Management must validate that the objectives, strategies, plans, governance framework and policies set at HLFG level are fully consistent with the regulatory obligations and the prudential management of the subsidiary and ensure that entity specific risks are adequately addressed in the implementation of HLFG Group-wide policies.
- 2 HLAH, as the financial holding company of the Insurance and Takaful entities of the HLFG Group shall align the responsibilities set out in item 1(a) to 1(d) above for the following subsidiaries:
- a) Hong Leong Assurance Berhad (“HLA”)
  - b) Hong Leong MSIG Takaful Berhad (“HLMT”)
  - c) Hong Leong Insurance (Asia) Limited
  - d) HL Assurance Pte. Ltd.

3. The GBRMC shall validate that the objectives, strategies, plans, governance framework and policies set at HLFG level are fully consistent with the regulatory obligations and the prudential management of the Company and its subsidiaries and to check that the entity specific risks are adequately addressed in the implementation of Group-wide policies.

### **Composition**

The GBRMC shall –

- (a) have at least five directors;
- (b) comprise only non-executive directors, with a majority of them being independent directors;
- (c) be chaired by an independent director who is not the Chairman of the Board; and
- (d) comprise directors who have the skills, knowledge and experience relevant to the responsibilities of the GBRMC.

### **Secretary**

The secretary to the GBRMC meetings is rotated among the Chief Risk Officer (“CRO”) and Chief Compliance Officer (“CCO”) of HLA and HLMT.

### **Terms of Reference**

#### **Risk Management**

1. The GBRMC shall review the management’s:
  - a) activities in managing principal risks such as (but are not limited to) capital adequacy, credit risk, market risk, liquidity risk, operational risk, compliance risk, Shariah compliance risk (applicable to HLMT only), insurance risk as well as environmental, social and governance risk;
  - b) reports to the Boards of the Company and its subsidiaries on measures taken to:
    - identify and examine principal risks faced by the Company and its subsidiaries; and
    - implement appropriate systems and internal controls to manage these risks;
  - c) major risk management strategies, policies and risk tolerance, and where appropriate endorse and recommend the same for the approval of the respective Boards of the Company and its subsidiaries;
  - d) overall framework on the Internal Capital Adequacy Assessment Process (“ICAAP”), including management’s stress testing programme, annual risk appetite, Individual Target Capital Level (“ITCL”) and Capital Management Plan, and where appropriate endorse and recommend the same for the approval of the respective Boards of the Company and its subsidiaries;
  - e) development and effective implementation of the ICAAP;
  - f) periodic reports on risk appetite, risk exposure, risk portfolio composition and risk management activities;

- g) internal controls and risk management process to ensure their adequacy and effectiveness;
- h) risk management policies and frameworks in identifying, measuring, monitoring and controlling risk to ensure their adequacy and the extent to which these are operating effectively; and
- i) implementation of risk management as set out in Policy Documents on Risk Governance, Approach to Regulating and Supervising Financial Groups, Corporate Governance, and in respect of HLMT, Shariah Governance.

2. The GBRMC shall:

- a) review risk management function's infrastructure, resources and systems and to ensure that the staff responsible for implementing risk management systems perform those duties independently of the Company and its subsidiaries' risk-taking activities;
- b) receive and review reports from pertinent management committees;
- c) review and advise on the appointment, remuneration, removal and redeployment of the CRO of HLA and HLMT;
- d) engage privately with each CRO on a regular basis (and in any case at least once annually) to provide the opportunity for the CRO to discuss issues faced by the risk management function; and
- e) undertake such other risk management functions as may be agreed to by the GBRMC and the respective Boards of the Company and its subsidiaries.

### **Compliance**

- 1. The GBRMC shall assist the respective Boards of the Company and its subsidiaries in the oversight of the management of their compliance risk by:
  - a) reviewing compliance policies and overseeing the implementation of the same;
  - b) reviewing the establishment of the compliance function and the position of the CCOs of HLA and HLMT to ensure the compliance function and CCOs are provided with appropriate standing, authority and independence;
  - c) discussing and deliberating regularly the compliance issues of the Company and its subsidiaries and oversee that such issues are resolved effectively and expeditiously;
  - d) reviewing annually the effectiveness of the Company and its subsidiaries' overall management of compliance risk, having due regard to the assessments of their respective senior managements and internal audits, as well as their interactions with the CCOs; and
  - e) updating the respective Boards of the Company and its subsidiaries on all significant compliance matters, including providing its views on (a) to (d) above.

2. In relation to the role of the CCOs, support the respective Boards of the Company and its subsidiaries in meeting the expectations on compliance management as set out in Policy Document on Compliance by:
  - a) reviewing and advising on the appointment, remuneration, termination and redeployment of the CCOs;
  - b) ensuring that the CCOs have sufficient stature to allow for effective engagement with the Group Managing Director/Chief Executive Officer (“GMD/CEO”) or CEO, as the case may be, and other members of senior management;
  - c) engaging privately with each CCO on a regular basis (and in any case at least once annually) to provide the opportunity for the CCO to discuss issues faced by the compliance function; and
  - d) ensuring that the CCOs are supported with sufficient resources, including competent officers, to perform his/her duties effectively.
3. Where a CCO also carries out responsibilities in respect of other control functions, the GBRMC must be satisfied they do not compromise the soundness of the overall control environment by the combination of responsibilities performed by the CCO.
4. The CCOs shall undertake such other compliance function as may be agreed to by the GBRMC as well as the respective Boards of the Company and its subsidiaries.

### **Authority**

The GBRMC is authorised by the Boards of the Company and its subsidiaries to:

1. review their activities within these Terms of Reference;
2. seek such information as it may require from any Director or member of their Senior Managements, and all their employees are directed to co-operate with any request made by the GBRMC, including but not limited to provide the GBRMC with sufficient support and resources required to investigate any matter within the mandates of the GBRMC; and
3. obtain independent legal or other professional advice as it considers necessary.

The Board remains fully accountable for any authority delegated to the GBRMC.

### **Meetings**

1. The GBRMC shall meet at least six (6) times a year and such additional meetings as may be called at any time, as and when necessary.
2. The GMD/CEO, CEO, Chief Financial Officer, CRO, Chief Internal Auditor, CCO, Head of Internal Audit, other Senior Management, employees of the Company and its subsidiaries may be invited to attend the GBRMC meetings, whenever required.
3. Issues raised, discussions, deliberations, decisions and conclusions made at the GBRMC meetings are recorded in the minutes of the meetings. A GBRMC member who has, directly or indirectly, an interest in a material transaction or material arrangement shall not be present at the GBRMC meeting where the material transaction or material arrangement is being deliberated.

4. A majority with at least one independent and non-executive director from each of the BNM regulated entities in the HLAH Group (i.e., the Company, HLA and HLMT) shall constitute a quorum.
5. After each GBRMC meeting, the GBRMC shall report and update the Boards of the Company, HLA and HLMT on significant issues and concerns discussed during the GBRMC meeting and where appropriate, make the necessary recommendations to their respective Boards.

#### **Revision of the Terms of Reference**

Any revision or amendment to the Terms of Reference proposed by the management of the Company, HLA or HLMT, and where appropriate endorsed and recommended by the GBRMC, shall first be presented to their respective Board for approval. Upon the relevant Board's approval, the said revision or amendment shall form part of these Terms of Reference, which shall be considered duly revised or amended.

**HONG LEONG ASSURANCE BERHAD  
- NOMINATION COMMITTEE (“NC”)****TERMS OF REFERENCE**

The following sets out the terms of reference for the NC:

**1. Composition**

- 1.1 The NC shall have a minimum of three members (“the Members”) who shall be appointed by the Board of Directors (“Board”) out of their own number, provided that the majority comprise of independent Directors.
- 1.2 A Member who wishes to retire or resign from the NC should provide sufficient notice to the Company so that a replacement may be appointed. In the event that any Member ceases to be a Director of the Company, he shall automatically cease to be a Member of the NC.
- 1.3 In the event that the number of Members is reduced below three the Board shall appoint such new Members as may be required as soon as practicable provided that the composition of the NC shall meet the criteria set out in Clause 1.1 above.

**2. Chairman**

- 2.1 The Members shall elect out of their own number a Chairman from the NC who is an independent Director of the Company.
- 2.2 The Chairman of the NC shall preside as Chairman at every meeting save that if at any meeting, the Chairman is not present and there is a quorum, the Members present shall elect a Chairman who is an independent Director.

The Chairman of the Board must not chair any meeting of the NC.

**3. Secretary(ies)**

The Secretary(ies) of the Company or such other person as nominated by the Board will be the Secretary(ies) of the NC.

**4. Responsibilities**

The NC’s responsibilities are as follows:

- 4.1 Support the Board in carrying out its functions in the following matters concerning the board, senior management and company secretary(ies):
  - (a) appointments and removals;
  - (b) composition;
  - (c) performance evaluation and development; and
  - (d) fit and proper assessments.

Hong Leong Assurance Berhad  
Nomination Committee – Terms of Reference

**4. Responsibilities (cont'd)**

- 4.2 Recommend to the Board the minimum criteria and skill sets for appointments to the Board, Board Committees and for the position of Chief Executive Officer.
- 4.3 Review and recommend to the Board all Board and Board Committees appointments, re-appointments and removals including of the Chief Executive Officer.
- 4.4 Review annually the overall composition of the Board in terms of the appropriate size and skills, the balance between executive directors, non-executive and independent directors, and mix of skills and other core competencies required.
- 4.5 Assess annually the performance and effectiveness of the Board, Board Committees and each individual director.
- 4.6 Oversee the appointment and management of succession planning and performance evaluation of key senior management officers and recommend their removal if they are found ineffective, errant and negligent in discharging their responsibilities.
- 4.7 Ensure that the Board receives an appropriate continuous training programme.

**5. Meetings**

5.1 Convening of Meetings

- a. The NC shall hold at least one meeting (which may include meetings conducted via telephonic and video conference) in each financial year to be convened by the Secretary(ies) to the NC.
- b. Upon the request of any Member, the Chairman shall convene a meeting of the NC to consider any matters which the Member believe should be brought to the attention of the NC.

5.2 **Notice of Meetings**

- a. The notice and agenda for each meeting shall be circulated to all Members specifying the date, time and venue of the meeting and setting out the matters to be discussed.
- b. The NC may invite such other persons as they deem necessary to the meetings.



Hong Leong Assurance Berhad  
Nomination Committee – Terms of Reference

**5. Meetings (cont'd)**

**5.3 Recording of Proceeding**

- a. The Members shall cause minutes to be made of all proceedings and decisions taken at NC meetings, and of the attendances thereat.
- b. A copy of the minutes of each meeting shall be circulated to every member of the Board.
- c. The minutes are to be signed by the Chairman at the next succeeding meeting. Any minutes signed by the Chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated therein,
- d. The minutes of the NC shall be kept by the Secretary(ies) to the NC at the registered office of the Company and shall be opened to inspection of the Board at any time.

**5.4 Quorum**

At least half of the number of the NC Members shall form a quorum.

**5.5 Decisions**

- a. Any decision to be taken by the NC or questions arising at any meeting shall be determined by a majority of votes of the Members present and in the case of an equality of votes, the Chairman shall have a second or casting vote.
- b. A member of the NC shall abstain from participating in discussions and decisions on matters involving himself/herself.

**6. Circular Resolutions**

- 6.1 A resolution in writing signed by a majority of Members shall be as valid and effectual as if it had been passed at a meeting of the NC duly convened and held. Any such resolution may be contained in a single document or may consist of several documents in like form, each signed by one or more Members.
- 6.2 For the purpose of this provision, “in writing” and “signed” include approval by facsimile and other electronic means.

**7. Others**

The NC may regulate and amend the provisions relating to its own procedures in particular the calling of the meetings; notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

**HONG LEONG ASSURANCE BERHAD  
- REMUNERATION COMMITTEE (“RC”)****TERMS OF REFERENCE****1. Composition**

- 1.1 The RC shall have a minimum of three members (the Members”) who shall be appointed by the Board of Directors (“Board”) out of their own number, all of whom including the Chairman, shall be non-executive and shall comprise a majority of independent Directors.
- 1.2 A Member who wishes to retire or resign from the RC should provide sufficient notice to the Company so that a replacement may be appointed. In the event that any Member ceases to be a Director of the Company, he shall automatically cease to be a Member of the RC.
- 1.3 In the event that the number of Members is reduced below three, the Board shall appoint such new Members as may be required as soon as practicable provided that the composition of the RC shall meet the criteria set out in Clause 1.1 above.

**2. Chairman**

- 2.1 The Members shall elect out of their own number a Chairman from the RC who is an independent Director of the Company.
- 2.2 The Chairman of the RC shall preside as Chairman at every meeting save that if at any meeting, the Chairman is not present and there is a quorum, the Members present shall elect a Chairman who is an independent Director.

The Chairman of the Board must not chair any meeting of the RC.

**3. Secretary(ies)**

The Secretary(ies) of the Company or such other person as nominated by the Board will be the Secretary(ies) of the RC.

**4. Responsibilities**

The RC’s responsibilities are as follows:

- 4.1 Recommend to the Board the framework and policies governing the remuneration of the:
  - Directors;
  - Chief Executive Officer;
  - Senior management officers; and
  - Other material risk takers.

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**4. Responsibilities (cont'd)**

- 4.2 Review and recommend to the Board for approval the specific remuneration packages of executive directors and the Chief Executive Officer.
- 4.3 Review and recommend to the Board for approval the remuneration of senior management officers and other material risk takers.

**5. Meetings**

5.1 Convening of Meetings

- a. The RC shall hold at least one meeting (which may include meetings conducted via telephonic and video conference) in each financial year to be convened by the Secretary(ies) to the RC.
- b. Upon the request of any Member, the Chairman shall convene a meeting of the RC to consider any matters which the Member believe should be brought to the attention of the RC.

5.2 Notice of Meetings

- a. The notice and agenda for each meeting shall be circulated to all Members specifying the date, time and venue of the meeting and setting out the mailers to be discussed.
- b. The RC may invite such other persons as they deem necessary to the meetings.

5.3 Recording of Proceedings

- a. The Members shall cause minutes to be made of all proceedings and decisions taken at RC meetings and of the attendances thereat.
- b. A copy of the minutes of each meeting shall be circulated to every member of the Board.
- c. The minutes are to be signed by the Chairman at the next succeeding meeting. Any minutes signed by the Chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated therein.
- d. The minutes of the RC shall be kept by the Secretary(ies) to the RC at the registered office of the Company and shall be opened to inspection of the Board at any time.

5.4 Quorum

At least half of the number of the RC Members shall form a quorum.

**5. Meetings (cont'd)**

**5.5 Decisions**

- a. Any decision to be taken by the RC or questions arising at any meeting shall be determined by a majority of votes of the Members present and in the case of an equality of votes, the Chairman shall have a second or casting vote.
- b. A member of the RC shall abstain from participating in discussions and decisions on matters involving himself/herself.

**6. Circular Resolutions**

- 6.1 A resolution in writing signed by a majority of Members shall be as valid and effectual as if it had been passed at a meeting of the RC duly convened and held. Any such resolution may be contained in a single document or may consist of several documents in like form, each signed by one or more Members.
- 6.2 For the purpose of this provision, “in writing” and “signed” include approval by facsimile and other electronic means.

**7. Others**

The RC may regulate and amend the provisions relating to its own procedures in particular the calling of the meetings, notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.