
**HLA HOLDINGS SDN BHD (“HLAH” or the “Company”)
- GROUP BOARD AUDIT COMMITTEE****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.
2. To review the terms of engagement and the audit plan prior to engaging the external auditors and/or re-appointment of the external auditors.
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.
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 Group’s internal control framework.

Financial Reporting

1. To review the accuracy and adequacy of the chairman’s statement (if any) in the directors’ report, corporate governance disclosures, interim financial reports and annual financial statements.

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.
2. To monitor compliance with the Board of the Company and its subsidiaries’ conflict of interest policy.

Internal Audit

1. To review and approve the adequacy of the internal audit scope, procedures, 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.

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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 policy document, "Guidelines on Internal Audit Function of Licensed Institutions".
 6. To decide on the appointment, remuneration, appraisal, transfer and dismissal of the Head of Insurance Audit, and to provide oversight on the adequacy of resources and remuneration of the internal auditors. This includes a regular review to determine whether the internal audit function has appropriate standing within the Group to undertake its activities independently and objectively.
 7. To engage privately with the Head of Insurance Audit on a regular basis (and in any case at least twice annually) to provide the opportunity for the Head of Insurance 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 satisfy itself that the internal audit function is effective by establishing a mechanism to assess its performance and effectiveness.
 10. 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.
 11. To note significant disagreements between the Head of Insurance Audit 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.
 12. Other audit functions as may be agreed to by the GBAC and the Board of the Company and its subsidiaries.