

**TERMS OF REFERENCE
AUDIT COMMITTEE OF THE BOARD (“ACB”)
OF MAYBANK AGEAS HOLDINGS BERHAD (“MAHB”)**

Objective & Scope	<p>The primary objectives of the ACB are as follows:</p> <ul style="list-style-type: none"> (a) To support the Board of MAHB and its subsidiaries (MAHB Group) in ensuring there is reliable and transparent financial reporting processes within the MAHB Group. (b) To oversee the effectiveness of the internal audit function of MAHB Group. (c) To foster a quality audit of the MAHB Group by exercising oversight over the external auditor.
Members	<p><u>Chairman</u> Independent Non-Executive Director within the MAHB Group</p> <p><u>Members</u> Minimum three (3) Non-Executive Directors</p> <p><i><u>Terms of Membership:</u></i></p> <ul style="list-style-type: none"> i. <i>The Committee shall consist of a minimum of three (3) non-executive members appointed by the Board of Directors (the Board).</i> ii. <i>The majority of the ACB membership including the Chairman, should be independent.</i> iii. <i>Etiqa Life Insurance Berhad (ELIB), Etiqa General Insurance Berhad (EGIB), Etiqa General Takaful Berhad (EGTB) and Etiqa Family Takaful Berhad (EFTB) will be represented by a director from the respective Boards.</i>
Quorum & Decision	<p><u>Quorum</u> Next to the Chairman, at least one (1) of the members should be in attendance.</p> <p><u>Decision Making</u> The affirmative vote of a majority of Members present at a meeting at which a quorum is present shall constitute the decision of the Committee. In case of a tie vote, the casting vote is given to the Chairman.</p>
Permanent Invitees	<p>Chief Executive Officer, MAHB Chief Executive Officer, Etiqa Life Insurance Berhad (ELIB) Chief Executive Officer, Etiqa Family Takaful Berhad (EFTB) Chief Executive Officer, Etiqa General Insurance Berhad (EGIB) Chief Executive Officer, Etiqa General Takaful Berhad (EGTB) Chief Executive Officer, Etiqa Insurance Pte. Ltd. (EIPL) Chief Financial Officer, Group Insurance & Takaful Chief Risk Officer, MAHB Group Chief Audit Executive, Maybank Senior Director, Group Audit – Insurance & Takaful, Maybank Head, Compliance</p> <p><u>Designated Chairman</u> Where the Chairman is unable to attend the meeting, the members shall elect an independent director among themselves as Chairman.</p>
Secretary	Company Secretary or as appointed by Chairman

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Frequency of Meeting	<p>Meeting shall be held at least four (4) times a year.</p> <p>The Chairman of the ACB should call a meeting of the ACB if requested to do so by any ACB member, the Management or the Internal or External Auditors.</p> <p><i>Note:</i> <i>Chairman has the discretion to change the format and/or agenda of the meeting.</i></p>
Authority	<ol style="list-style-type: none"> 1. The Committee is authorised to act as the ACB of MAHB’s subsidiaries (where MAHB owns at least 60% of the equity of the subsidiaries). 2. The respective Boards is responsible for approving the respective Companies’ financial statements, and is assisted in its responsibilities by the ACB. 3. The ACB should have the authority to investigate any matter within its terms of reference and should have unlimited access to all information and documents relevant to its activities, to the Internal and External Auditors, and to employees and agents of the insurer. 4. The ACB should have adequate resources to perform its duties and discharge its responsibilities and should be authorised to obtain independent professional advice as considered necessary. 5. The ACB should have access to copies of audit reports (including interim financial audits) on a timely basis and should be kept regularly informed of corrective actions arising from internal and external audit findings.
Key Responsibilities	<ol style="list-style-type: none"> 1. <u>Internal Audit</u> <ol style="list-style-type: none"> 1.1 <u>Governance</u> <ol style="list-style-type: none"> 1.1.1 To ensure that the internal audit department is distinct and has the appropriate status within the overall organisational structure for the internal auditors to effectively accomplish their audit objectives. 1.1.2 To ensure the effective organisation of the internal audit’s audit function. 1.1.3 To review and approve the audit plan, audit charter and budget required under Part B of BNM Guidelines JPI/GPI 13 on “Guidelines on Audit Committees and Internal Audit Departments for Insurance Companies”; 1.1.4 To ensure that reporting relationships of the internal audit staff do not impede the exercise of independent judgment by the internal auditors. 1.1.5 To review the scope of internal audit procedures, in particular:

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Key Responsibilities	<p>1.1.5.1 any restrictions placed on access by the internal auditors to any of the insurer’s reports, assets, personnel or processes which are relevant to the conduct of audits;</p> <p>1.1.5.2 appropriateness of the risk assessment methodology employed pursuant to Part B of the Guidelines to determine the frequency and scope of audits, having regard to the nature, size and complexity of the insurer’s operations;</p> <p>1.1.5.3 appropriateness of the risk assessment methodology employed pursuant to Part B of the Guidelines to determine the frequency and scope of audits, having regard to the nature, size and complexity of the insurer’s operations;</p> <p>1.1.5.4 compliance with internal auditing standards; and</p> <p>1.1.5.5 coordination between internal and external auditors.</p> <p>1.1.6 To ensure that they are adequately informed of, and understand, the risks and implications of internal audit findings and recommendations. The ACB should pay particular attention to internal audit assessment of:</p> <p>1.1.6.1 compliance with company policies, relevant laws and regulatory requirements;</p> <p>1.1.6.2 effectiveness of internal controls in critical areas of operations (e.g. accounting, underwriting, claims, investment, derivatives and information technology management); and</p> <p>1.1.6.3 Management’s responsiveness to, and corrective actions taken in respect of, internal audit findings and recommendations.</p> <p>1.1.7 To ensure that all findings and recommendations are resolved effectively and in a timely manner.</p> <p>1.1.8 To note any significant disagreements between the internal auditor and Management.</p>
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Key Responsibilities	<p>1.2 <u>Resources and staffing</u></p> <p>1.2.1 To ensure on an ongoing basis that the internal audit department has adequate and competent resources, given the size and complexity of the insurer’s operations. In this respect, the ACB should:</p> <p style="padding-left: 40px;">1.2.1.1 approve the appointment, remuneration, performance evaluation, removal and redeployment of the Chief Audit Executive and senior officers of the internal audit function; and</p> <p style="padding-left: 40px;">1.2.1.2 be informed of any resignation of the internal audit staff and their reasons.</p> <p>1.2.2 To ensure that internal audit staff receives necessary training to perform audit work.</p> <p>2. <u>External Auditor</u></p> <p>2.1 <u>Appointment</u></p> <p>2.1.1 Is responsible for the appointment of the External Auditor.</p> <p>2.1.2 To review and assess various relationships between the external auditor and the insurer or any other entity that may impair or appear to impair the External Auditor’s judgment or independence in respect of the insurer.</p> <p>2.1.3 To review and assess fees paid to the External Auditor. The fees paid should not impair or appear to impair the external auditor’s judgment or independence in respect to the insurer.</p> <p>2.1.4 To investigate reasons for any request made by management to dismiss the External Auditor, or any resignation by the External Auditor.</p> <p>2.2 <u>Audit plan, findings and recommendations</u></p> <p>2.2.1 To review with the External Auditor, the:-</p> <p style="padding-left: 40px;">2.2.1.1 audit plan prior to the commencement of the annual audit;</p> <p style="padding-left: 40px;">2.2.1.2 financial statements (before the audited financial statements are presented to the Board),</p> <p style="padding-left: 40px;">2.2.1.3 audit reports, including obligatory reports to BNM on matters covered under Section 65 of the FSA 2013/ Section 74 of the IFSA 2013.</p>
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Key Responsibilities	<p>2.2.1.4 any significant disagreements between the external auditor and Management irrespective of whether they have been resolved; and</p> <p>2.2.1.5 any other findings, issues or reservations faced by the External Auditor arising from interim and financial audits.</p> <p>2.2.2 To review and monitor Management’s responsiveness to, and action taken on, external audit findings and recommendations. In this regard, the ACB should ensure that all findings and recommendations are resolved effectively and in a timely manner.</p> <p>2.2.3 To meet at least annually with the External Auditor without the presence of Management.</p> <p>3. <u>Other Responsibilities</u></p> <p>3.1 To review the following:</p> <p>3.1.1 The Chairman’s statement, interim financial reports and preliminary announcements.</p> <p>3.1.2 Corporate governance disclosures made in the Directors’ Report pursuant to the requirement in BNM Corporate Governance Policy.</p> <p>3.1.3 All representation letters signed by Management.</p> <p>3.2 To review any related-party transactions and conflicts of interest situations that may arise within the insurer including any transaction, procedure or conduct that raises questions of management integrity.</p> <p>3.3 To ensure that the insurer complies with the Section 65 of the Act FSA 2013/ Section 75 of the IFSA 2013 on publication of financial statements.</p> <p>3.4 To ensure that the insurer’s accounts are prepared in a timely and accurate manner for regulatory, management and general reporting purposes, with regular reviews carried out in the adequacy of provisions made.</p> <p>3.5 To ensure that supervisory issues raised by the Bank are resolved in a timely manner.</p> <p>3.6 To be responsible for any functions as may be determined by the Board and reflected in its terms of reference.</p>
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Key Responsibilities	<p>3.7 To review the compliance with provisions of the Financial Services Act (FSA)/Islamic Financial Services Act (IFSA) and Regulations, and findings of Bank Negara Examiners, and implement appropriate remedial and corrective actions.</p> <p>3.8 To review the changes in statutory requirements, and any significant audit problems that can be foreseen either as a result of the previous years’ experience or because of new developments.</p> <p>3.9 To approve non audit services to be provided by its appointed external auditor.</p> <p>3.10 To recommend changes in accounting policies or deviations from group accounting policies to the Board.</p> <p>3.11 To review Chairman’s Statement for recommendation to the Board for approval.</p> <p>3.12 To consider any other significant matters the Auditors wish to bring to the attention of the Board or Shareholders.</p> <p>3.13 Such other duties that may be delegated by the Board from time to time.</p> <p>3.14 To comply with all applicable laws and regulations including but not limited to all relevant Bank Negara Malaysia guidelines, Financial Services Act (FSA), Islamic Financial Services Act (IFSA) and Offshore Insurance Act.</p> <p>4. <u>Reporting to BNM</u></p> <p>To submit to BNM, a summary of material concerns/weaknesses in the internal control environment of the insurer noted during the year and the corresponding measures taken to address these weaknesses. This should be submitted together with the annual report on the AC and its activities which is submitted to the BNM pursuant to principle 18 of JPI/GPI 25.</p>
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Version	
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