

LIFE & HEALTH HMP, INC.

INTERNAL AUDIT CHARTER

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I. POLICY STATEMENT

It is the policy of the Board of Directors (BOD), through the Audit Committee, to establish and support an independent internal audit (IA) function as a fundamental part of its Corporate Governance practices.

II. PURPOSE AND MISSION

This Charter establishes the Internal Audit Department (IAD)'s position within Life & Health HMP, Inc. (the Company) and safeguards IAD's independence.

The purpose of the Company's IAD is to provide independent, objective assurance and consulting services designed to add value and improve the Company's operations.

It is IAD's mission to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. IAD helps the Company accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

III. STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

The IAD will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' (The IIA) International Professional Practices Framework, including the Core Principles for the Professional Practices of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (ISPPA), and the Definition of Internal Auditing. The Chief Audit Executive (CAE) will report periodically to Senior Management

and the Audit Committee regarding the IAD's conformance to the Code of Ethics and the ISPPA.

IV. AUTHORITY

1. The CAE will report functionally to the Audit Committee and administratively (i.e., day-to-day operations) to the President and / or Chief Executive Officer (CEO). To establish, maintain, and assure that the Company's IAD has sufficient authority to fulfill its duties, the Audit Committee will:
 - Approve the IA Charter.
 - Approve the risk-based IA plan.
 - Approve the IAD's budget and resource plan.
 - Receive communications from the CAE on the IAD's performance relative to its plan and other matters.
 - Approve decisions regarding the appointment and removal of the CAE.
 - Approve the hiring, remuneration and termination from duties of the CAE.
 - Make appropriate inquiries of Management and the CAE to determine whether there are inappropriate scope or resource limitations.
2. The CAE will have unrestricted access to, and communicate and interact directly with the Audit Committee, including private meetings without Management present.
3. The Audit Committee authorizes the IAD to:
 - Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.

- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.; and
- Obtain assistance from the necessary personnel of the Company, as well as other specialized services from within or outside the Company, to complete the engagement.

Restriction to above accesses imposed by any employee or Management of the Company, which prevents IAD from performing its duties, will be reported immediately to the Audit Committee.

4. The IAD is not authorized to:
 - Perform any operational duties and functions for the Company.
 - Initiate or approve accounting transactions outside of the internal auditing functions; and
 - Direct the activities of any Company employees not under the IAD, except to the extent, such employees have been appropriately assigned to auditing team or to otherwise assist the IAD.
 - Be an active participant in any of the committees established by Management where IAD participation may conflict with his duties to perform an audit of the particular function/s.

V. INDEPENDENCE AND OBJECTIVITY

1. The CAE will ensure that the IAD remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the CAE determines that independence or objectivity

- may be impaired in fact or appearance, the details of impairment will be disclosed to the Audit Committee.
2. IAD shall have no direct operational responsibility or authority over any of the activities audited. Accordingly, IAD will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:
 - Assessing specific operations for which they had responsibility within the previous year.
 - Performing any operational duties and functions for the Company.
 - Initiating or approving accounting transactions outside of the internal auditing functions; and
 - Directing the activities of any Company employees not under the IAD, except to the extent, such employees have been appropriately assigned to auditing team or to otherwise assist the IAD.
 3. IAD must not audit an area in which he or she recently worked. To minimize impairments to independence or objectivity, the concerned internal auditor should be subject to a two-year time-out period upon joining the IAD before he or she can audit his or her previous area.
 4. When the CAE has or is expected to have roles and / or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.
 5. IAD will exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
 6. IAD will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

7. The CAE will confirm to the Audit Committee, at least annually, the organizational independence of the IAD.

VI. SCOPE OF INTERNAL AUDIT ACTIVITIES

The scope of IA activities includes both assurance services and consulting services.

Assurance Services

Assurance services are objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee and Senior Management on the adequacy and effectiveness of governance, risk management, and control processes for the Company.

IA assurance services include evaluating whether:

- Risks relating to the achievement of the Company's strategic objectives are appropriately identified and managed.
- The actions of the Company's officers, directors, employees, and contractors, and established processes and systems, are following the Company's policies, procedures, and applicable laws, regulations, and governance standards.
- Operations or programs are being carried out effectively and efficiently, and the corresponding results are consistent with established goals and objectives.
- Financial and operational information and the means used to identify, measure, analyze, classify, and report such information are reliable, accurate, and preserve the required confidentiality, integrity, and accessibility.
- Resources and assets are acquired economically, used efficiently, and protected adequately.
- Governance process related to the making of operational and strategic decisions, the oversight of risk management and control processes, the promotion of appropriate ethics and

values, the oversight of organizational performance and accountability, and the coordination of assurance functions, require improvements.

Consulting Services

The IAD shall provide advisory services of a recommendatory nature, the scope, and details of which are agreed with the functional unit of the Company, and are intended to add value, and improve the organization's governance, risk management, and control processes without assuming management's responsibility. Consulting services are subject to the approval of the Audit Committee.

Examples of advisory services shall include, but are not limited to:

- Assistance in reviewing and evaluating risk management activities.
- Assessing the adequacy of internal control system in proposed systems, activities, or project.
- Providing recommendation and advice on governance and business process improvements.

The CAE also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. If IAD determines the need to obtain the expertise of persons from other units of the Company, appropriate arrangements must be done with the Management. Care must be taken to avoid conflicts of interest within the Company that could damage the quality of the audit work performed and / or conclusions obtained by the IAD. If expertise is to be obtained outside the Company, IAD shall ensure that formal contract is established with the third-party service provider containing appropriate provisions regarding the nature of the services provided and professional standards to be applied. The Audit Committee shall be informed about the use of all external consultants.

Based on guidelines specified in the Company's Whistleblowing Policy, IAD will investigate reports from whistleblowers about allegations of corruption and financial misconduct that pose a significant risk to the Company and will provide oversight to external investigators and / or non-IA investigators, as necessary.

VII. RESPONSIBILITIES

The IAD, as spearheaded by the CAE, has the responsibility to:

1. Formulate a flexible annual IA plan using an appropriate risk-based methodology, including any risks or control concerns identified by Management and Senior Management, and submitting the plan to the Audit Committee for review and approval.
2. Implement the annual IA plan as approved, including as appropriate any special tasks or projects requested by Management, Senior Management, and the Audit Committee.
3. Communicate to Senior Management and the Audit Committee the impact of resource limitations on the IA plan.
4. Review and adjust the IA plan, as necessary, in response to changes in the Company's business, risks, operations, programs, systems, and controls. Communicate to Senior Management and the Audit Committee any significant interim changes to the IA plan.
5. Ensure each engagement of the IA plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
6. Submit to the Audit Committee an annual report on the activities and accomplishments of the IAD, including significant risk

exposures and control issues, governance issues, and other matters requested by the Audit Committee.

7. Follow up on engagement findings and corrective actions, and report periodically to Senior Management and the Audit Committee any corrective actions not effectively implemented.
8. Conduct investigation of suspected fraudulent activities and irregularities within the Company and inform Senior Management and Audit Committee of the results. When conducting investigations, IAD may seek assistance from / coordinate with Management, legal counsel, and other specialists as appropriate throughout the course of the investigation.
9. Perform consulting and advisory services related to governance, risk management, and control as appropriate for the Company. Promote an effective system of control at a reasonable cost.
10. Provide Management with upfront advice and guidance on risks and control aspects of major initiatives, projects, and programs, new policies, systems, processes, and procedures.
11. Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
12. Ensure the IAD collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the IA Charter.
13. Ensure trends and emerging issues that could impact the Company are considered and communicated to Senior Management and the Audit Committee as appropriate.
14. Ensure adherence to the Company's relevant policies and procedures designed to guide the IAD, unless such policies and procedures conflict with the IA Charter. Any such conflicts will be resolved or otherwise communicated to Senior Management and the Audit Committee.
15. Ensure conformance of the IAD with the ISPPA, with the following qualifications:

- If the IAD is prohibited by law or regulation from conformance with certain parts of the ISPPIA, the CAE will ensure appropriate disclosures and will ensure conformance with all other parts of the ISPPIA.
 - If the ISPPIA are used in conjunction with requirements issued by the Securities and Exchange Commission (SEC) and Insurance Commission (IC), the CAE will ensure that the IAD conforms with the ISPPIA, even if the IAD also conforms with the more restrictive requirements of SEC and IC.
16. Ensure that IAD staff members are provided with sufficient hours for professional continuing education to maintain sufficient knowledge, skills experience, and professional certifications to meet the requirements of this Charter.
17. Have separate periodic meetings with the non-executive directors, external auditor, compliance, and risk functions, without any executive directors present.

VIII. AUDIT REPORTING AND MONITORING

1. A written IA report and / or memo will be prepared and issued by the IAD following the conclusion of the audit engagement and will be distributed to the appropriate management officers as deemed necessary by the CAE.

The IA report should include Management's responses and corrective actions taken or to be taken with regards to the specific findings and recommendations. The Management's responses whether included in the original IA report or provided thereafter should include a reasonable timetable and responsible person for the anticipated completion of the action to be taken and an explanation for any corrective action that will be implemented.

2. The status updated on the action plans shall be monitored by IAD and shall form part of the reports to the Audit Committee and the President and / or CEO.
3. Audit results are considered confidential information and IAD is responsible for deciding to whom and how audit reports will be disseminated. Audit reports may only be shared with external parties with prior approval by the CAE. If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing results to parties outside the Company, the CAE must:
- Assess the potential risk to the Company,
 - Consult with Senior Management, Audit Committee, and / or legal counsel, and
 - Control dissemination by restricting the use of the results.
4. CAE shall report periodically to Audit Committee regarding:
- Independence of the IA activities,
 - Conformance with The IIA's Code of Ethics and ISPPIA, as well as action plans to address any significant non-conformance issues,
 - Performance relative to the audit plan,
 - Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit Committee,
 - Any response to risk by Management that, in the IAD's judgment, may be unacceptable to the Company, and
 - Resource utilization and requirements

IX. QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The IAD will maintain a quality assurance and improvement program (QAIP) that covers all aspects of the IAD. The program will include an evaluation of the IAD's conformance with the ISPPIA and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the IAD and identify opportunities for improvement.

The CAE will communicate to Senior Management and the Audit Committee on the IAD's QAIP, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Company.

X. PERIODIC REVIEW OF THE CHARTER

The IA Charter should be assessed annually by the CAE, who will reaffirm to the Audit Committee whether the Charter's provisions continue to enable the IAD to accomplish its objectives, or whether any changes are necessary. If a revision or update should arise in the interim period, the Charter should only be changed with the Audit Committee's approval, and such changes should reflect the generally accepted practice, as defined by the IIA.

XI. APPROVAL / SIGNATURES

Chief Audit Executive

Date

Chairman of the Audit Committee

Date