

POLICIES AND PROCEDURES TO ASSESS THE SUITABILITY, OBJECTIVITY AND INDEPENDENCE OF THE EXTERNAL AUDITORS

1. Preamble

The Audit Committee and the Management are fully committed to deliver the suitability, objectivity and independence of the external auditors.

Audit engagements are carried out by having independent audit reviews and obtaining audit assurance from the external auditors.

2. Criteria to be considered during the selection on appointment, reappointment and removal of the external auditors by the Audit Committee

(a) Independence

The independence of the external auditors is the important consideration for the committee during the selection of shortlisted external auditors for recommendation to the Board.

The external auditors must prove to the committee that their service rendered must be independent; and without any conflict to the roles as External Auditors.

The management shall obtain a written assurance from the external auditors by confirming their independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

(b) Disclosure of Material Matters

During the audit engagement, the external auditors must be required to disclose the significant issue or material matters arising from the audit engagement to the committee for their better understanding and awareness.

(c) Non-Audit Services

The external auditors must detail its audit approach should the requirement of non-audit services is approved by the committee. The non-audit services must not be perceived to be, in conflict with the role of the external auditors.

The management shall obtain confirmation from the external auditors that the independence of the external auditors will not be impaired by the provision of non-audit services.

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3. Appointment of Former Key Audit Partner as a Member of the Audit Committee

The committee requires at least a cooling-off period of at least three (3) years before any key audit partner of the external auditor is being appointed as a member of the Audit Committee.

4. Annual Audit Plan and Reporting

The external auditors shall issue an annual plan for review and discussion with the committee. And upon completion of annual audit reporting, the external auditors shall also provide a management letter to the committee.

5. Rotation of External Audit Engagement Partner

The audit partner responsible for the external audit of the Group is subject to rotation at least every five (5) years in accordance with By-Laws of the MIA.

6. Annual Performance Assessment

The committee will review the performance of external auditors in annual basis. During the annual performance review on the external auditors, the committee will gather feedback on the quality of external audit services from senior management.

7. Policy Review

The committee will constantly review the Policy to ensure it stays relevant and appropriate.