

# LANDMARKS

## **LANDMARKS BERHAD**

**[Registration No. 198901007900 (185202-H)]**

# External Auditors Assessment Policy and Procedures

Revised and approved by the Board of Directors on 21 August 2024.

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## **1. INTRODUCTION**

The Audit & Risk Management Committee (“ARMC”) of Landmarks Berhad (“Landmarks” or “the Company”) is assigned to assess, review and supervise the performance, suitability and independence of External Auditors. The objective of this External Auditors Assessment Policy and Procedures (“the Policy”) is to outline the guidelines and procedures for the ARMC to assess and review the External Auditors.

## **2. SECTION 271 OF COMPANIES ACT 2016**

At each of the Annual General Meeting of the Company, according to Section 271 of the Companies Act 2016, the Company shall at each Annual General Meeting appoint or re-appoint the External Auditors of the Company, and the External Auditors so appointed shall, hold office until the conclusion of the next Annual General Meeting of the Company.

## **3. SELECTION AND APPOINTMENT PROCEDURE**

The ARMC will follow the following procedures for selection and appointment of new External Auditors, when they determine a need to change the External Auditors: -

- (a) To identify the audit firms which meet the criteria for appointment upon considering the engagement proposals;
- (b) To assess the proposals and shortlist the suitable audit firms;
- (c) To meet and/or interview the shortlisted audit firms;

The ARMC may delegate or seek the assistance of the Group Chief Financial Officer (“CFO”) or Chief Operating Officer (“COO”) to carry out items (a) to (c) above;

- (d) To recommend the suitable audit firm to the Board of Directors (“Board”) for appointment as External Auditors; and
- (e) Upon obtaining the endorsement from the Board, the proposal will be recommended to seek shareholders’ approval for the appointment of the new External Auditors and/or resignation/removal of the existing External Auditors at the general meeting.

#### 4. ASSESSMENT OF INDEPENDENCE

The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.

In avoidance of doubt, the ARMC shall obtain a written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

#### 5. NON-ASSURANCE SERVICES

##### Introduction

The Malaysian Institute of Accountants (“MIA”) By-Law & International Ethics Standards Board of Accountants’ (“IESBA”) revised non-assurance service standard requires that all non-assurance services provided by the independent auditor to an audit client that is a public interest entity, or its direct or indirect controlling/controlled entities, should be pre-approved by those charged with governance. This requirement is to enable those charged with governance of the public interest entity audit client to have oversight of the independence of the auditor.

Accordingly, the Board has adopted the following pre-approval policy. This document sets forth procedures and conditions whereby permissible non-assurance services provided by the independent auditor and its affiliates will be pre-approved for the entities within the corporate structure of Landmarks consisting its subsidiaries and joint ventures.

##### 5.1 Pre-approval policy

(a) Pre-approval policy of non-assurance services

The Board has adopted the following procedure to pre-approve non-assurance services to be provided by the independent auditor.

Under this procedure, the Board pre-approves the list of non-assurance services in **Appendix A - List of Pre-approved Services** that may be provided by the independent auditor without the need for the auditor to seek any more specific pre-approvals from the Board. This **Appendix A - List of Pre-approved Services** remains in effect until amended by the Board.

Unless a non-assurance service shall have received such general pre-approval, it will require a separate specific pre-approval by the Board and the concurrence must be provided to the auditor before an engagement letter contracting the non-assurance service is signed.

## 5. NON-ASSURANCE SERVICE *(Cont'd)*

### 5.1 Pre-approval policy *(Cont'd)*

#### (b) Delegation of Authority

The Board hereby delegates to the ARMC authority to grant approval of services that are not on the pre-approved list and needing separate specific approvals. The ARMC shall report their pre-approval decisions to the Board at or prior to its next scheduled meeting.

#### (c) Validity of pre-approval

The separate specific pre-approval will remain valid until completion of the approved non-assurance services, unless the Board terminates or varies or approves a different period.

### 5.2 Restrictions on disclosure of information regarding non-assurance services

#### (a) Restrictions due to professional standards, laws or regulations

The ARMC has not identified any restriction any professional standards, laws or regulations that would restrict the communication of information regarding non-assurance services to the Board by the independent auditor.

#### (b) Restrictions due to sensitive or confidential information

In some circumstance, the provision of information necessary for the ARMC to evaluate the impact on the auditor's independence from providing a proposed non-assurance service may result in the disclosure of sensitive or confidential information. The ARMC can provide concurrence for providing the non-assurance service when:

- The auditor agrees with the ARMC that the entity to whom the non-assurance service will be provided with the information is a public interest entity that needs to provide concurrence for such non-assurance service.
- The auditor providing such information is able to do so without breaching its legal or professional obligations.
- The auditor informs that the provision of the non-assurance service will not create a threat to its independence, or that any identified threat is at an acceptable level or, if not, can be eliminated or reduced to an acceptable level; and
- The ARMC does not disagree with the auditor's conclusion above.

## 5. NON-ASSURANCE SERVICE *(Cont'd)*

### 5.3 Concurrence

Under this pre-approval policy, the ARMC understands that the provision of the non-assurance services listed in **Appendix A - List of Pre-approved Services** by the auditor will not create a threat to the auditor's independence (or any such threat can be reduced to an acceptable level or the circumstance creating the threat will be eliminated by the auditor). Therefore, the independent auditor will not be required to obtain separate specific pre-approvals for these non-assurance services.

On an annual basis, the independent auditor should inform the ARMC of all non-assurance services provided under the general pre-approval policy.

All other non-assurance services not covered by this general pre-approval policy will require communication from the independent auditor and separate specific concurrence from the ARMC regarding:

- the provision of the non-assurance service; and
- the conclusion that the provision of the non-assurance service will not create a threat to the auditor's independence, or that any identified threat is at an acceptable level or, if not, can be eliminated, or reduced to an acceptable level.

The communication from and concurrence sought by the independent auditor should take place as needed, at quarterly scheduled meetings, etc, in advance of the non-assurance services being provided.

All requests or applications for non-assurance services to be provided by the independent auditor may be communicated to CFO and or COO by email and must include a detailed description of the non-assurance services proposed to be rendered.

The CFO and or COO will determine whether such non-assurance services can be approved and communicate his assessment and conclusion to the ARMC.

The concurrence of the ARMC may be formalised by email, in the meeting minutes, or other suitable communication methods.

### 5.4 Policy Review

The BOD will review this pre-approval policy annually, if applicable, or when a change occurs.

In addition, as the need arises, the independent auditor may submit to the Board a request to amend or add to the terms of this pre-approval policy or to update it.

## **6. TERM OF AUDIT PARTNER**

The audit partner responsible for the External Audit of Landmarks and its subsidiaries is subject to rotation at least after every seven (7) financial years.

## **7. APPOINTMENT OF A FORMER PARTNER AS ARMC MEMBER**

A former partner of the external audit firm of the Company (this applies to all former partners of the audit firm and/or the affiliate firm, including those providing advisory services, tax consulting etc), after a cooling-off period of at least three (3) years may then be appointed as a member of the ARMC.

## **8. ANNUAL AUDIT PLAN**

The External Auditors will issue an annual audit planning memorandum for review and discussion with the ARMC. And upon completion of annual audit, provide a management letter to the Committee upon completion of the annual audit.

## **9. ANNUAL PERFORMANCE ASSESSMENT**

The ARMC shall carry out annual assessment on the performance and may request any Executive Directors to join the assessment to evaluate the suitability and independence of the External Auditors on the following areas:

- (a) Caliber of external audit firm;
- (b) Service quality and performance;
- (c) Competency of external auditors and sufficiency of resources;
- (d) Independence, Objectivity and Professionalism;
- (e) Audit scope and audit planning meet the audit objective;
- (f) Competitiveness of external audit fee; and
- (g) Audit Communications.

## **10. REVIEW**

The ARMC will review this Policy periodically to ensure that it continues to remain relevant and appropriate.

## Appendix A – List of Pre-approved Non-Assurance Services

The Board believes the independent auditor and its affiliates can provide the following list of non-assurance services without impairing its independence and has pre-approved these non-assurance services. All other non-assurance services not listed in Appendix A must be specifically pre-approved by the ARMC.

Audit and assurance services are not subject to pre-approval requirement under the independence regulations of MIA By-Law & IESBA Code of Ethics. Accordingly, no separate pre-approval will be obtained.

### Tax services

- Due diligence for tax restructuring related to acquisitions and dispositions.
- Tax compliance including preparation of corporate tax returns.

### All other services

- Preparation and submission of XBRL report.
- Agreed-upon procedures to comply with regulatory reporting matters.
- Due diligence services pertaining to potential business acquisitions or dispositions;
- Accounting and Book Keeping Services;
- Valuation Services;
- Internal Audit Services;
- IT Systems Services;
- Litigation Support Services;
- Recruitment Services; and
- Corporate Finance Services.