MYDCD BERHAD

Registration No.: 202501030429 (1631841-A)
(Incorporated in Malaysia)

EXTERNAL AUDITORS ASSESSMENT POLICY

1.0 PURPOSE

The Board of Directors of MyDCD Berhad ("**the Company**") ("**Board**") is responsible for the appointment of the Company's External Auditors, as well as for determining its audit fee, taking into consideration advice/recommendation from the Audit and Risk Management Committee of the Company ("**ARMC**"). The ARMC is entrusted by the Board to review, assess, and monitor the performance, suitability and independence of the External Auditors, before recommending them to the Board for appointment.

To objective is to outline the guidelines and procedures for the ARMC to review, assess, and monitor the performance, suitability, and independence of the External Auditors ("**EA**").

2.0 SELECTION AND APPOINTMENT PROCEDURES

The ARMC plays a principal key role in reviewing the scope and result of the EA' functions together with the elements of independence and objectivity of the EA. The ARMC is responsible for reporting to the Board on the appointment, re-appointment and removal of the company's EA, although the Board/Shareholders are essentially the party appointing the EA.

The following are the ARMC's procedures for the selection and appointment of EA when there is a need to appoint new EA due to the resignation, retirement or removal of the existing EA:-

a. To identify the audit firms which meet the criteria for appointment and to request their proposals of engagement for consideration;
b. To assess the proposals received and shortlist the suitable audit firms;
c. To meet and/or interview the shortlisted audit firms; and
d. To recommend a suitable audit firm to the Board for appointment as EA of the Company.

The ARMC may delegate or seek the assistance of the Chief Executive Officer ("**CEO**") and/or Head of Finance ("**HOF**") to carry out items (i) and (ii) above.

The following are some of the criteria to be considered by the ARMC in the selection of EA:-

a. Adequacy of resources and experience of the audit firm;
b. Quality processes of the audit firm;
c. Competency of audit engagement team;
d. Audit governance and independence;
e. Audit fee, scope and planning; and
f. Audit communications.

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3.0 ASSESSMENT OF INDEPENDENCE

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

The ARMC shall obtain an assurance from the EA confirming that they are and have been, independent throughout the conduct of the audit engagement in ARMC in accordance with the terms of all relevant professional and regulatory requirements.

The assessment should also consider information presented in the Annual Transparency Report of the audit firm. If the audit firm is not required to issue an Annual Transparency Report, the ARMC is encouraged to engage the audit firm on matters typically covered in an Annual Transparency Report including the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks.

4.0 AUDIT AND NON-AUDIT ENGAGEMENT FEES

The ARMC is tasked with the role of ensuring that audit fees payable to the EA are fair and realistic in terms of the size and complexity of the audit.

The ARMC is also obligated to examine the nature of any non-audit services rendered by the EA with the purpose of ensuring the undertaking of such non-audit engagement will not in any way impact the professional independence of the EA. The ARMC shall obtain confirmation from the EA that the independence of the EA will not be impaired by the provision of non-audit services.

5.0 ANNUAL PERFORMANCE ASSESSMENT

The ARMC shall carry out an annual performance assessment of the EA and may request the CEO and/or the HOF to join the assessment.

6.0 TERM OF AUDIT PARTNER

The Company recognises that there exists a threat to the EA's independence where the same audit partner conducts consecutive audits of the Company.

The By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("**MIA By-Laws**") set out the maximum number of years key audit partners can serve in the same role, as well as the number of "cooling-off" years.

The ARMC shall ensure that the firm of EA meets or exceeds the requirements of the MIA By-Laws relating to rotation of key audit partners.

7.0 APPOINTMENT OF FORMER KEY AUDIT PARTNER AS MEMBER OF ARMC

A former partner of the Company's External Audit Firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) must observe a minimum three (3) years of cooling-off period after their last involvement before being appointment as a director or member of the ARMC or employee of the Company who is in a position that can exert significant influence over the Company's accounting records or financial statements.

8.0 REVIEW OF THIS POLICY

The ARMC will review this Policy from time to time and make any necessary amendments to ensure it remains consistent with the ARMC's objectives and responsibilities.