



INFOMINA BERHAD

Registration No. 200701018579 (776590-U)

EXTERNAL AUDITOR POLICY

1. INTRODUCTION

- 1.1 In accordance with the Terms of Reference of the Audit and Risk Management Committee (“**ARMC**”) of the Company, the ARMC is responsible for the assessment of the suitability, objectivity, independence and overall performance of the External Auditor of the Company (“**External Auditor**”) to safeguard the quality and reliability of audited financial statements.
- 1.2 The purpose of this Policy is to detail the responsibilities of the ARMC regarding the External Auditor, as laid down in the Terms of Reference of the ARMC, being:-
- (a) the establishment of policies and procedures for the selection, nomination, appointment and re-appointment of the External Auditor;
 - (b) the assessment of the suitability, objectivity, independence and overall performance of the External Auditor; and
 - (c) the establishment of policies and procedures for the provision of non-audit services by the External Auditor.
- 1.3 This Policy shall be read in conjunction with the Terms of Reference of the ARMC.

2. SELECTION AND APPOINTMENT OF EXTERNAL AUDITOR

- 2.1 Pursuant to Section 271 of the Companies Act 2016 (“**the Act**”), the Company shall at each annual general meeting (“**AGM**”), appoint or re-appoint the External Auditor of the Company, and the External Auditor so appointed shall hold office until the conclusion of the next AGM of the Company.
- 2.2 If a need for a change of External Auditor or in the event a vacancy arises, the ARMC shall follow the following procedures for the selection and appointment of new External Auditor:-
- (a) identify the audit firms that meet the criteria for appointment and request for their proposals of engagement for consideration;
 - (b) assess the proposals received and shortlist the suitable audit firms;
 - (c) meet and/or interview the shortlisted audit firms; and
 - (d) recommend the suitable audit firm to the Board of Directors of the Company (“**Board**”) for appointment as External Auditor. The members may by an Ordinary Resolution appoint the External Auditor pursuant to the Company’s Constitution and the Act.

If need be, the ARMC may request the Finance Director to facilitate steps (a) to (c) above.

- 2.3 Once the assessment process is completed, the ARMC shall report to the Board of the process adopted in undertaking the review, the audit firm recommended by the ARMC and the basis for the recommendation.

INFOMINA BERHAD [Registration No. 200701018579 (776590-U)]

External Auditor Policy

- 2.4 In assessing the audit firms, the following criteria shall be taken into consideration:-
- (a) the audit firm's reputation (including the outcome of any recent inspections on the firm by the Audit Oversight Board of Securities Commission Malaysia or other regulatory bodies);
 - (b) the adequacy of the experience and resources of the audit firm;
 - (c) the number of audit staff who will be assigned to the audit engagement and their qualifications and experience;
 - (d) the profile of the audit firm's major clients, including those in the same or similar industry as the Company and its subsidiaries ("**Group**");
 - (e) networking ability and competency to address overseas subsidiaries not audited by the audit firm;
 - (f) audit approach and methodology of the audit firm;
 - (g) independence of the audit firm;
 - (h) internal governance processes of the audit firm;
 - (i) reasonableness of audit fees; and
 - (j) any other criteria deemed fit by the ARMC.

3. REVIEW OF EXTERNAL AUDITOR FOR RE-APPOINTMENT

- 3.1 The ARMC shall carry out an annual assessment on the suitability, objectivity, independence and performance of the External Auditor as well as the effectiveness of the audit process, to facilitate its recommendation to the Board for the tabling of the re-appointment of the External Auditor to the shareholders at the AGM.
- 3.2 In evaluating the External Auditor, the ARMC shall consider the following:-
- (a) calibre of the audit firm;
 - (b) quality of audit services;
 - (c) adequacy of audit scope;
 - (d) internal quality control procedures of the audit firm;
 - (e) relationship with the Group;
 - (f) independence and objectivity;
 - (g) ability to meet deadlines and respond to issues in a timely manner;
 - (h) effectiveness of recommendations in addressing weaknesses observed during the audit;
 - (i) timeliness in escalating audit issues to the ARMC and/or the Board;
 - (j) level of understanding of the Group's business;
 - (k) competency and adequacy of resource;
 - (l) appropriateness of the proposed audit fees to support a quality audit;
 - (m) communication and interaction with Management and the Internal Auditor; and
 - (n) Annual Transparency Report or if the audit firm is not required to issue such report, then the AC shall engage with the audit firm on matters typically covered under such 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.
- 3.3 The ARMC may seek feedback from Management during the evaluation exercise.

4. INDEPENDENCE OF EXTERNAL AUDITOR

- 4.1 The External Auditor of the Company shall be independent in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) (“**By-Laws**”) of the Malaysian Institute of Accountants (“**MIA**”).
- 4.2 The External Auditor shall be precluded from providing services that might impair its independence or be in conflict with its assurance and compliance role. The independence of the External Auditor may be impaired where the External Auditor provide services which:-
- (a) create conflict of interests between the External Auditor and the Group;
 - (b) result in the External Auditor functioning in the role of management;
 - (c) place the External Auditor in the position of auditing its own work; or
 - (d) place the External Auditor in the position of being an advocate for the Group.
- 4.3 The External Auditor shall be required to furnish their written assurance to the ARMC annually, 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.
- 4.4 The Audit Engagement Partner responsible for the external audit shall be subject to rotation and shall observe the cooling-off period in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of MIA.

5. NON-AUDIT SERVICES

- 5.1 The External Auditor shall observe and comply with the By-Laws of MIA in relation to the provision of non-audit services.
- 5.2 Before appointing the External Auditor and/or its affiliates to undertake any non-audit services, the AC shall take the following into consideration in determining whether the non-audit services may impair the External Auditor’s independence and/or objectivity or give rise to a conflict of interest:-
- (a) whether the skills and experience of the External Auditor make them a suitable service provider of the non-audit services;
 - (b) whether adequate safeguards have been deployed to eliminate or reduce to an acceptable level any threat to objectivity and independence in the conduct of the audit resulting from the non-audit services provided by the External Auditor; and
 - (c) the nature and extent of the non-audit services, the actual fee level to be incurred by the Company and on a group basis, relative to the audit fee.
- 5.3 The following non-audit services shall not be provided by the External Auditor pursuant to the By-Laws of the MIA:-

External Auditor Policy

- (a) accounting and bookkeeping services, including payroll services and the preparation of financial statements or financial information;
 - (b) valuation services if the valuations would have a material effect on the financial statements;
 - (c) preparation of taxation calculations of current and deferred tax liabilities (or assets) for the purpose of preparing accounting entries that are material to the financial statements;
 - (d) internal audit services that relate to a significant part of the internal controls over financial reporting, financial accounting systems or amount or disclosures that are material to the financial statements;
 - (e) design or implementation of information systems that form a significant part of the internal control or information on financial reporting, accounting records or financial statements;
 - (f) acting in an advocacy role on behalf of the Company to resolve a dispute or litigation when the amounts involved are material to the financial statements;
 - (g) recruitment services with respect to a Director, Officer or Senior Management personnel who would be in a position to exert significant influence over the preparation of accounting records or the financial statements; and
 - (h) corporate finance services which involve promoting, dealing in, or underwriting shares.
- 5.4 The non-audit fees paid or payable to the External Auditor in a financial year shall be no more than 50% of the total amount of audit fees paid or payable to the External Auditor.
- 5.5 All engagements with the External Auditor to provide non-audit services are subject to the approval/endorsement of the AC prior to the engagement (with the exception of the External Auditor's annual review of the Statement on Risk Management and Internal Control for inclusion in the Annual Report, for which the Finance Director shall be authorised to engage the External Auditor).

6. REVIEW OF POLICY

- 6.1 This Policy was adopted by the Board on 17 January 2023 and is made available on the Company's website at <http://infomina.co/>.
- 6.2 The ARMC shall review this Policy from time to time and make necessary amendments taking into consideration the needs of the Company as well as any changes to the Malaysian Code on Corporate Governance, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements to ensure that it continues to remain relevant and appropriate.
- 6.3 Any amendments to this policy shall be tabled to the Board for approval and made available on the Company's website.