

# M N C WIRELESS BERHAD

( 635884-T )

(Incorporated in Malaysia)

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## EXTERNAL AUDITORS ASSESSMENT POLICY

### INTRODUCTION

The Board of Directors (“**Board**”) of M N C Wireless Berhad (“**the Company**”) is responsible for the appointment of the Company’s External Auditors, as well as to determine its audit fee, taking into consideration from advice/recommendation from the Audit Committee of the Company (“**AC**”). The AC 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.

The objective of this External Auditors Assessment Policy (“**the Policy**”) is to outline the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.

### SELECTION AND APPOINTMENT PROCEDURES

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

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

- i. To identify the audit firms which meet the criteria for appointment and to request for their proposals of engagement for consideration;
- ii. To assess the proposals received and shortlist the suitable audit firms;
- iii. To meet and/or interview the shortlisted audit firms; and
- iv. To recommend the suitable audit firm to the Board for appointment as External Auditors of the Company.

The AC may delegate or seek the assistance of the Executive Directors and/or the Chief Financial Officer to carry out items (i) and (ii) above.

The following are some of the criteria to be considered by the AC in the selection of External Auditors:

- 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.

## **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.

The AC shall obtain an 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.

## **AUDIT AND NON-AUDIT ENGAGEMENT FEES**

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

The AC is also obligated to examine the nature of any non-audit services rendered by the External Auditors with the purpose of ensuring the undertaking of such of non-audit engagement will not in any way impact on the professional independence of the External Auditors.

## **ANNUAL PERFORMANCE ASSESSMENT**

The AC shall carry out annual performance assessment of the External Auditors and may request the Executive Directors and/or the Chief Financial Officer to join the assessment.

## **REVIEW OF THIS POLICY**

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

*This Policy was adopted by the Board of MNC on 26 April 2019.*