

# **LANDMARKS BERHAD (185202-H)**

## **External Auditors Assessment Policy and Procedures**

Approved by Board of Directors  
on 19 November 2018.

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## **1. INTRODUCTION**

The Audit & Risk Management Committee (“The ARMC”) Landmarks Berhad (“Landmarks”) 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 to carry out items (a) to (c) above;

- (d) To recommend the suitable audit firm to the 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-AUDIT ENGAGEMENT**

The External Auditors can be engaged to perform non-audit engagement that are not, and are not perceived to be, in conflict with the role of the External Auditors. This excludes audit related work in compliance with statutory requirements.

The three (3) basic principles on the prohibition of non-audit engagement are as follows:

- (a) Not to function as Management;
- (b) Not to audit their own work; and
- (c) Not to serve in an advocacy role of Landmarks and its subsidiaries.

The External Auditors shall observe and comply with the By-Laws of the Malaysian Institute of Accountants in relation to the provision of non-audit engagement, which include the following:

- (a) Accounting and Book Keeping Services;
- (b) Valuation Services;
- (c) Taxation Services;
- (d) Internal Audit Services;
- (e) IT Systems Services;
- (f) Litigation Support Services;
- (g) Recruitment Services; and
- (h) Corporate Finance Services.

All engagements of the External Auditors to provide non-audit services are subject to the approval by the ARMC; and with expectation on the Management to obtain confirmation from the External Auditors on their independence which shall not be impaired by the provision of non-audit engagement.

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

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

## **7. 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.

## **8. 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.

## **9. REVIEW**

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