

Ref No.	GO-014
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GO HUB CAPITAL BERHAD

[Registration No. 202201019895 (1465592-V)]

(Incorporated in Malaysia)

EXTERNAL AUDITORS' POLICY

**Policies and Procedures to Assess the
Suitability, Objectivity and Independence of
External Auditors**

- Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors
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1. INTRODUCTION

This External Auditors' Policy sets out the criteria which the Audit and Risk Management Committee ("**ARMC**") shall consider in assessing the suitability, objectivity and independence of the External Auditors ("**EA**").

Practice 9.3 of the Malaysian Code on Corporate Governance ("**MCCG**") stipulates that the Audit Committee shall have policies and procedures to assess the suitability, objectivity and independence of the EA to safeguard the quality and reliability of audited financial statements. In addition, Guidance 9.3 of the MCCG stipulates that the Audit Committee should consider the following in assessing the suitability, objectivity and independence of the EA:-

- the criteria to guide decisions on the appointment and re-appointment of the EA. The criteria should include an assessment of the competence, audit quality and resource capacity of the EA in relation to the audit. The assessment should also consider information presented in the *Annual Transparency Report*¹ 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;
- the appropriateness of audit fees to support a quality audit;
- requirement for non-audit services to be approved by the ARMC before they are rendered by the EA and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees. The ARMC should avoid situations where the audit firm inadvertently assumes the responsibilities of management in the course of providing non-audit services. Such a situation may be a breach of the independence requirements on the part of the audit firm;
- requirement to obtain written assurance from the EA 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; and
- the conduct of an annual evaluation on the performance of the EA and undertaking follow-up measures, where required.

2. FREQUENCY OF ASSESSMENT

The ARMC shall conduct the assessment of the suitability, objectivity and independence of the external audit firm annually.

¹ Audit firms registered with the Audit Oversight Board ("**AOB**") with more than 50 public interest entity ("**PIE**") audit clients; and total market capitalisation of the audit firm's PIE clients above RM10 billion at the end of the calendar year for two consecutive years are required to issue an Annual Transparency Report. For other AOB-registered audit firms that do not meet the above criteria, they are encouraged to issue an Annual Transparency Report.

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3. ASSESSMENT CRITERIA

Some of the matters for the ARMC's consideration regarding the appointment, re-appointment and removal of the Company's EA include:-

(i) Fees

The EA must provide a fee quotation for its audit services. However, price will not be the sole determining factor of suitability.

(ii) Competence, audit quality and resource capacity

The ARMC shall consider the audit firm's reputation and the qualifications of its professionals, including the breadth and depth of resources, expertise and experience of the team members. Their networking ability and competency to address any complex issues, are equally important to assess its suitability.

(iii) Non-audit work

All engagements of the EA to provide non-audit services are subject to the necessary approvals outlined in this Policy adopted by the Company.

(iv) Independence

The EA must satisfy the ARMC that it is independent and outline the procedures it has in place to maintain its independence.

The independence of the EA is integral to the role of auditors and the ARMC shall give due consideration to this requirement when putting forward a recommendation to the Board.

The EA are precluded from providing any services that may impair their independence or conflict with their role as EA. A written assurance or a representation make in presentation of annual audit planning memorandum from the EA 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 is to be given to the Company.

A *former partner*² of the external audit firm of the Company has to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC to safeguard the independence of the audit by avoiding the potential threats which may arise when the partner concerned is in a position to exert significant influence over the audit and preparation of the Company's financial statements.

² Former partner includes the engagement partner, the individual responsible for the engagement of quality control review, and other partners of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting etc).

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(v) Material matters

The EA is required to disclose to the ARMC all issues of material significance and all matters of disagreement with the Management, whether resolved or unresolved, and to assist the ARMC to review such matters.

(vi) Past performance / Disciplinary Records

During its annual assessment of the performance of the EA for the immediate past financial year, the ARMC should also look into the historical performance of the EA, whether any disciplinary action(s)/ reprimand(s) have been imposed by the regulatory authority(ies) on either the external audit firm, or the key engagement partner or other partner(s) of the external audit firm and/or affiliates.

4. APPROVAL OF NON-AUDIT SERVICES

All engagements of the EA to provide non-audit services with value in aggregate exceeding 50% of the latest Group audit fees are subject to the approval/endorsement of the ARMC. The Finance Director ("**FD**") must ensure that prior approval of the ARMC is obtained before commencement of these non-audit services.

5. MONITORING AND REPORTING

The FD shall report to the ARMC on an annual basis on any significant non-audit services and the related fees on non-audit services rendered to the Company by the EA.

6. ROTATION OF KEY AUDIT PARTNER

The Key Audit Partner ("**KAP**") can be classified as Engagement Partner, Engagement Quality Control Reviewer and Other KAP. In compliance with By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, the rotation requirements of the KAP are set out as below:-

Role	Cumulative Stay-on Period	Cooling-off Period
Engagement Partner	7 years	5 years
Engagement Quality Control Reviewer	7 years	3 years
Other KAP	7 years	3 years

Notes:-

- (i) The cooling-off period is the minimum number of consecutive years that a KAP must cool-off from the engagement.
- (ii) The cumulative stay-on period is the maximum number of cumulative (but not necessary consecutive) years that a partner can perform a KAP role on an engagement.
- (iii) The KAP shall not act in any of the above roles, or a combination of such roles, for a period of more than seven (7) cumulative years.

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7. REVIEW OF THIS POLICY

The ARMC shall review regularly and assess the effectiveness of this Policy. Any requirement for amendment shall be deliberated by the ARMC and any recommendation for revisions shall be highlighted to the Board for approval.

8. REVISION OF THIS POLICY

The provisions of this Policy can be amended and supplemented from time to time as recommended by the ARMC to the Board for consideration and approval.

9. EFFECTIVE DATE

This Policy is effective from 19 September 2023.

History:-

Document No.	Version No.	Board's Approval Date	Effective Date
GO-014	1.0	19 September 2023	19 September 2023

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