

## **External Auditor Selection, Appointment and Rotation Policy**

### **Responsibility for Selection and Appointment**

The Audit Committee (AC) is responsible for the company's External Auditor relationship and makes recommendation to the Board in relation to the appointment, re-appointment, termination and oversight of the External Auditor.

The Board of Directors appoints the External auditor, subject to the ratification by shareholders during the company's annual general stockholders' meeting.

### **Selection Criteria**

The External Auditor is assessed and selected based on the following criteria:

- Independence
- Ability to provide quality audit services, including audit scope, approach and methodology
- Professional standing and reputation
- Relevant industry experience
- Skills and knowledge of the audit team
- Value for money

### **Selection and Appointment Process**

Should the AC or Management determine a need for a change of external auditors, the AC will conduct a formal selective process following these procedures:

- (a) identify the audit firms that meet the criteria for appointment and request for proposals for consideration
- (b) summarize and assess the proposals received and shortlist suitable audit firms
- (c) request the audit firms to present the highlights of their proposal and interview shortlisted candidates
- (d) may seek the assistance or coordinate with the Chief Finance Officer on items (a) to (c) above
- (e) provide the Board with information concerning the process undertaken, the recommended external auditor and the reasons for the final recommendation.

The Board will, if deemed appropriate, endorse the AC recommendation and seek shareholders' approval for the appointment of the new external auditor and/or resignation or removal of existing external auditor during the general stockholders' meeting.

### **Assessment of independence**

The AC will annually assess the relationships between the external auditor and the company to ensure maintenance of independence. The external auditor is precluded from providing any services that may impair their independence or conflict with their role as external auditor. AC approval of all non-audit work proposed to be carried out by the external auditor is required prior to commence of such service.

### **Rotation of External Auditor Partners and Staff**

The External Auditor is required to rotate engagement partners every 5 years with a 2-year cooling off period during which they may not take part in the audit. The External Auditor must manage its audit team members to ensure adequate rotation of staff.

### **Review of the Policy**

The AC will review the policy periodically to ensure that it continues to remain relevant and appropriate.