



L&P Global Berhad

Registration No. 202101028085 (1428385-M)
(Incorporated in Malaysia)

Auditors' Independence Policy

Revision History					
Version	Description	Prepared by:	Reviewed by:	Approved by:	Effective Date
000	Approval of Policy	Ow CK	Executive Directors	Board of Directors	13/11/24

Auditors' Independence Policy

1. PURPOSE

The Auditors' Independence Policy ("AIP" or "Policy") is a comprehensive policy governing all aspects of L&P Global Berhad ("L&P" or "the Company") and its subsidiary companies' (collectively "L&P Group" or "the Group") relationship with external auditors, including:

- Establishing a process for determining whether various audit and other services provided by the external auditors affect its independence
- Identifying the services that the external auditors may provide to L&P Group
- Pre-approving all services to be provided by the external auditors.

2. SCOPE

All Directors and employee of L&P Group who interact with the external auditors will be advised of this Policy and its importance. A copy of this Policy will be provided to the Directors and employees of L&P Group who are, and may be, involved in assisting in the administration of this Policy. Such Directors and employees must understand this Policy and its operation to ensure compliance with its terms.

3. REFERENCE

4. DEFINITIONS/ABBREVIATIONS

5. GENERAL POLICY

5.1 The external auditors must remain independent of the Group both in fact as well as in appearance. External auditors' independence is impaired when the external auditors provide services which:

- Create a mutual or conflicting interest between the external auditors and the Group;
- Result in the external auditors functioning in the role of management;
- Place the external auditors in the position of auditing its own work;
- Place the external auditors in the position of being an advocate for the Group.

5.2 Permitted services

Consistent with the policy and subject to the approval requirements of the Audit and Risk Management Committee ("ARMC"), the external auditors may provide the audit services, audit-related services and non-audit services listed in this policy.

5.2.1 Audit services

This comprises work undertaken to provide an audit or review opinion on the Group's financial statement.

In order to ensure an appropriate scope of work, the external auditors will present an audit plan annually to the ARMC, setting out the proposed audit activity considered necessary to deliver these opinions.

The fees relating to this work will also be presented and agreed by the ARMC at the same time. Fees will be assessed on the basis of providing fair value for the services undertaken.

The external auditors will be expected to undertake their work effectively and efficiently, using an appropriate balance of junior and senior staff.

5.2.2 Audit related services

This represents work, generally of an assurance nature, provided by the auditors as a result of their expert knowledge and experience of the Group. It includes reviews required by regulatory bodies, corporate governance reviews and assurance reviews of public documents.

In respect of these services, executive management has discretion to use the external auditors without prior consultation with the ARMC. However, the nature of and fees associated with that work must be regularly reported to the Committee and, if there is any concern on the part of executive management as to a potential threat to the auditors' independence, the Chairman of the ARMC must be consulted at an early stage.

5.2.3 Non-audit services

The external auditors must conscientiously consider, before taking on non-audit work, whether the work involves any threats to auditors' independence and the appropriate safeguards to eliminate them or reduce them to clearly insignificant level.

The fees levels payable for non-audit services, individually and in the aggregate, relative to the audit fee will be a material consideration in assessing any threat to the auditors' actual and perceived independence.

Non-audit services include tax advice, valuations, internal audit and consultancy services, sustainability related advisory and assurance services, corporate finance services, over and above those provided in conjunction with audit and audit-related services.

Executive management are required to select the most appropriate supplier of such services, having regard to the expertise and experience offered and fees charged by alternative suppliers.

The Company will monitor the total fees charged and chargeable by the external auditors in any financial year for non-audit services and collate this information for review by the ARMC.

5.3 Prohibited services

The Company will not engage the external auditors for services where there is an evident threat to independence or where the work is deemed to or should be carried out by other providers. In particular, the external auditors should not:

- Prepare accounting records and financial statement except where this falls within the normal statutory audit mandate or where the work is carried out for L&P's subsidiaries and is deemed immaterial;
- Advise on any business decision or responsible for the design or implementation of changes to L&P's infrastructure.

External Auditor's independence would be impaired if the external auditors provides any prohibited services to the Group.

6. Appointment of the External Auditors

6.1 The ARMC will assess the following criteria with regard to the external auditors on an annual basis:

- Auditor independence
- Quality of the audit services
- Audit budget.

6.2 Subject to satisfactory performance and the recommendation of the ARMC, the Board will recommend the reappointment of the external auditors to shareholders at the Annual General Meeting. If the ARMC does not recommend the incumbent audit firm, a tender process will be carried out by the ARMC and executive management to select a new firm.

7. Responsibilities of the External Auditors and ARMC

7.1 The external auditors shall:

- (a) maintain a quality control system that provides reasonable assurance that their independence will not be impaired;
- (b) report annually to the ARMC on all aspects concerning independence, including possible conflicts with this policy; and
- (c) report annually to the ARMC on the external auditor's system of audit quality controls in general and on the audit quality control measures for the audit of the Group in particular.

7.2 The ARMC shall:

- (a) perform external auditors' evaluation annually, and report accordingly to the Board, whether it is satisfied that the independence of the external auditors has been maintained, taking into account the auditors' statement on independence and the Committee's own enquiries;
- (b) ensure that the only services performed by the external auditors are permitted services.

8. Responsibility for the Policy

This Policy is reviewed and approved by the Board of Directors, which monitors the effectiveness of and compliance with this Policy.

The Board of Directors and the Management team set the tone at the top providing leadership and support for the Policy and take responsibility for its effectiveness within their operations. Management is responsible for the implementation of the Policy and all communication and training activities in relation to the Policy to ensure that those reporting to them are made aware of, and understand, this Policy.