



EXTERNAL AUDITORS' POLICY



**INSIGHTS ANALYTICS BERHAD
(202401035770 (1581617-V))**

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1.0 Introduction

Practice 9.3 of the Malaysian Code on Corporate Governance ("MCCG") stipulates that the Audit and Risk Management Committee ("ARMC") should have policies and procedures to assess the suitability, objectivity and independence of the external auditors. In addition, Guidance 9.3 of the MCCG stipulates that the ARMC should consider the following in assessing the suitability, objectivity and independence of the external auditors:

- the competence, audit quality and resource capacity of the external auditor in relation to the audit;
- the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
- obtaining 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.

The Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors ("EA Policy") sets out the criteria which the ARMC should consider in assessing the suitability, objectivity and independence of the external auditors.

2.0 Frequency of Assessment

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

3.0 Assessment Criteria

3.1 Some of the matters for the ARMC's consideration regarding the appointment, reappointment and removal of Insights Analytics Berhad's external auditors include:-

(i) Fees

The external auditors 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

Audit quality typically increases with audit firm size because of experience and functional industry knowledge. Typically, large or global companies have expansive resources, in terms of personnel, expertise and worldwide availability.

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 external auditors to provide non-audit services are subject to the necessary approvals outlined in the Policy.

(iv) Independence

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

The independence of the external auditors 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 external auditors are precluded from providing any services that may impair their independence or conflict with their role as external auditors. 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 is to be given to the Company.

(v) Material matters

A candidate must outline its proposed procedures to address the issue of material significance or matter of disagreement with the Management. The external auditors are 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.

4.0 Approval of Non-Audit Services

4.1 The external auditors can be engaged to perform non-audit services 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.

4.2 Before appointing the external auditors to undertake any non-audit services, considerations shall be given as to whether such appointment would create a threat to the external auditors' independence or objectivity on the statutory audit of the Company's financial statements, including any safeguards that are available to address such a threat.

4.3 Measures

Measures that may be considered to mitigate the threat against the professional independence and objectivity of the external auditors comprise the following:-

- (i) ensure the engagement letter for the work includes a paragraph confirming compliance with applicable auditor-independence by-laws, guidelines and standards;
- (ii) obtain confirmation from the external auditors that the independence of the external auditors will not be impaired by the provision of the non-audit services;
- (iii) services are performed by personnel not involved in the audit (where relevant and permitted); and
- (iv) additional arrangements to objectively and independently evaluate the engagement.

All significant facts that bear upon the external auditors' objectivity and independence relating to the provision of non-audit services, including measures in place, shall be considered.

- 4.4 Engagement of external auditors to provide non-recurring and/or unplanned non-audit services must be approved as follows:

No.	Approval Thresholds for Non-Audit Works	Approver
1	Value of the non-audit services in aggregate is up to 50% of the latest Group's audit fees	Managing Director ("MD")
2	Value of the non-audit services in aggregate exceeds 50% of the latest Group's audit fees	ARMC

- 4.5 Monitoring and reporting

The MD or Chief Financial Officer ("CFO") shall report to the ARMC on an annual basis on any significant non-audit services and its related fees on non-audit rendered to the Company by the external auditors.

5.0 Rotation of External Audit Engagement Partner

The external auditors rotate their engagement partners, engagement quality control reviewer and other key audit partners assigned to the Company as per interval as stipulated in the By-Laws of Malaysia Institute of Accountants ("MIA") governing long associate of audit or assurance client.

6.0 Appointment of Former Partner of the External Audit Firm as Member of the ARMC

Subject to the Company's Directors' Fit and Proper Policy, a former partner[#] of the external audit of the Company would have to observe a cooling-off period of at least three (3) years before being appointed as an independent director of the Company. A similar requirement will be imposed on such a director before being appointed as a member of the ARMC. This is to safeguard the independence of the audit by avoiding the potential threats which may arise when a key audit partner is in a position to exert significant influence over the audit and preparation of the Company's financial statements.

This applies to all former partners of the audit firm and/or the affiliate firm (including those providing advisory services, tax consulting etc.)

7.0 Review of the Policy

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

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8.0 Revision to the Policy

This EA Policy shall be reviewed by the ARMC from time to time as necessary to ensure the EA Policy remains relevant and viable to meet the needs of the Company and the Group. Any revision to the EA Policy shall be recommended to the Board for consideration and approval.

This policy was adopted by the Board on 15th January 2025.