



JAYA TIASA HOLDINGS BERHAD

(Company No. 3751-V)

AUDITORS' INDEPENDENCE POLICY

Auditor's Independence Policy

The Company maintains a strict policy of avoiding conflict of interest when using the services of the external audit firm.

In respect of auditor independence, the Company requires its external auditors to comply with the requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

A formal declaration of independence will be obtained from the external auditor on an annual basis. This declaration should confirm that the auditor is independent, and has no conflict of interest situation, and that there is no relationship or matters that may reasonably be thought to bear on the external auditors' independence.

The non-audit services undertaken by the external auditors are only to be provided where the Audit Committee is satisfied that the related function or process will not have a material bearing on the planned audit procedures.

The external audit partner is required to attend the AGM.

Approved list of services that may be provided by the external auditors are as follows:

- Financial audits of the Group;
- Half-year Limited Review;
- Review of Statement on Risk Management and Internal Control;
- Review of Oversea Subsidiaries.

Contract for services not on the approved list which is less than 50% of the audit fees must be brought to the attention of the Audit Committee for noting at its next scheduled meeting.

Where the cost of any services not on the approved list is 50% or higher of the audit fees, the proposed engagement must be submitted to the Audit Committee for consideration and approval.

Appointment and Re-appointment of the External Auditors

The Audit Committee will assess suitability of the external auditors on an annual basis based on the following criteria:

- Auditor's independence;
- Quality of audit services; and
- Audit fees.

Subject to Audit Committee's recommendation, the Board will recommend the re-appointment of the external auditors to shareholders at the Annual General Meeting.

If the Audit Committee does not recommend the incumbent audit firm, the management will be instructed to source a new firm for its consideration.

Approved by the Board of Directors : 27 August 2013