

KASAGANA-KA Mutual Benefit Association Inc.
NON-AUDIT SERVICES RENDERED BY EXTERNAL AUDITOR POLICY

I. Introduction

This Policy sets forth the standards on the non-audit services rendered by the appointed External Auditor of Kasagana Ka Mutual Benefit Association, Inc.

II. Policy Objective

KMBA's external auditor is appointed primarily to carry out a statutory audit. His/Her primary role is to provide experienced opinion on the truthfulness of KMBA's financial statements and perform tests to monitor the systems and internal controls in place. However, there may be occasions where the External Auditor's expertise will be needed on non-audit concerns and issues. Thus, the purpose of this policy is to ensure that in providing non-audit services, the external auditor does not audit their own work, make management decisions or create a mutuality of interest, thus impairing their independence or objectivity.

III. Criteria for Non-Audit firm

A non-audit firm shall be selected and recommended by the Audit Committee, approved by the Board of Trustees. The provision of non-audit work must be determined to maintain the independence of the external auditor and therefore the criteria to choose a non-audit firm is as follows:

- The external auditor has set of skills and experience that is suitable for the provision of the non-audit service;
- There is an acceptable level of any threat to objectivity and independence in the conduct of the audit resulting from the provision of these non-audit services; and
- The fees incurred or to be incurred for the provision of non-audit services both for individual services and in aggregate, is relative to the audit fee;

The breakdown of non-audit fees shall be disclosed and approved by the Audit Committee, ratified by the Board of Trustees.

IV. Services classified as audit and non-audit related

The following constitute services that the external auditor is expected to undertake as part of their annual external audit services:

- a. Operational and financial review and governance disclosures, Annual Report, preliminary results announcements (full and half year) and any other formal announcements relating to financial performance. They also include those services that are required to be provided by reason of law, rules and regulations.
- b. Non-audit services that are beneficial and necessary to KMBA's operations about business strategies or knowledge or those which are considered as a by-product of the audit process.

All non-audit services to be provided, including the service fee related thereto, shall be approved and recommended by the Audit Committee in advance of the services being provided. Where assignments are commenced between formal meetings they must be approved by the Chairman of the Audit Committee subject to the approval of the Board of Trustees.

V. Prohibited Services

The following services set out below shall not be provided by the external auditor except the law so requires:

- Services that will involve playing part in the management decision-making processes;
- Services rendered by an internal auditor;
- Tax services or any tax service undertaken on a contingent fee basis;
- Bookkeeping, payroll and preparing accounting records and financial statements;
- Any type of Legal Services or recommendation thereof;
- Designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information, or designing and implementing financial information technology systems;
- Services linked to the financing, capital structure and allocation, and investment strategy of the Group, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the Group

The prohibited services above cannot be rendered by a non-audit firm unless the following conditions has been satisfied:

- a. The law or a competent court so requires;
- b. There is no direct or a clearly inconsequential effect, separately or in aggregate, on KMBA's financial statements;
- c. Estimation of the effect on the financial statements is comprehensively documented and explained in an additional report to the Audit Committee;
- d. It is aligned with the KMBA's principles and values;
- e. The external auditor will not place significant reliance, for the purposes of the audit, on the work performed under these services.

VI. Reporting

The Audit Committee shall receive reports twice a year detailing the fees paid to external auditors for the provision of non-audit services, or more frequently if there is a change in the non audit services to be provided by the external auditor requiring prior approval in line with the provisions above.

Non-Audit services provided prior to the approval of this policy. For the avoidance of doubt, any non-audit services agreed prior to the approval of this policy will continue to be provided through to satisfactory completion.