

Corporate Governance Practices

External Auditors Policy

1. Responsibility for Selection and Appointment

The Board is responsible for monitoring the Company's external auditor relationship and makes recommendations in relation to the appointment, termination and oversight of the external auditor.

2. Selection and Appointment Process

The Company appoints as external auditor an internationally recognised and respected accountancy firm which has clearly demonstrable audit quality processes and resources to carry out the assignment and who is independent from the Company.

Key aspects of the external auditor selection and appointment process include:

- The Board is responsible for appointing the external auditor, subject to shareholder approval.
- The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.
- The Board, in consultation with management, will approve the scope of the audit, the terms of the annual engagement letter and audit fees.
- Upon engagement, the external auditor will have unrestricted access to management, staff, records and company facilities, and is permitted reasonable, agreed time to conduct its audit.

3. Independence

The external auditor is required to provide an annual declaration of independence to the Board.

4. Attendance at Annual General Meeting

The external auditor is required to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

5. Rotation of External Auditor

The external auditor is required to rotate the audit and review partners at least once every five years. A previous audit partner should not be involved in the Company's audit for at least two years subsequent.

6. Review

This Policy will be reviewed regularly and updated as required.

Updated on 30 June 2016.