

Corporate Governance Policy No 5 – Selection & Appointment of External Auditor

Selection of External Auditors

Should there be a vacancy for the position of external auditor the Company, through the Audit Committee, will conduct a formal tendering process, either a general or selective tender.

Tenders are evaluated in accordance with the criteria, as appropriate from time to time, provided to tenderers. Tenders are not assessed solely on the basis of who is the cheapest but on a number of issues such as:

- Skills and knowledge of the team proposed to do the work and their independence from the Company.
- Quality of work.
- Independence of the audit firm.
- Lead signing partner and independent review partner rotation and succession planning.
- Value for money.
- Ethical behaviour and fair dealing.

Appointment of External Auditors

Through the tendering process the Audit Committee identifies and recommends an appropriate external audit partner for appointment by the Board in conjunction with senior management and/or the Company in a General Meeting. The appointment is made in writing.

Rotation of External Audit Partners

The external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to the Company's accounts for a period of more than 5 consecutive years. Further, once rotated off the Company's accounts no partner of the external auditor may assume any responsibility in relation to the Company's accounts for a period of 5 consecutive years. This requires succession planning on the part of the external auditor, a process in which the Company is involved.