

EXTERNAL AUDITOR APPOINTMENT PROCEDURE

1 Preface

The duties of the Audit and Risk Committee include “... reviewing the nomination, performance and independence of the external auditors, including recommendations to the Board for the appointment or removal of an external auditor.” (Section 2.2, Corporate Governance Charter).

Appointment of an auditor must occur at a general meeting of members of Acumentis (S327 and S329 Corporations Act 2001). CLERP 9 has expanded the requirements of auditor appointment, independence and rotation under the Corporations Act 2001.

Should a change of auditor be required, a formal tendering process will be undertaken. The audit committee will make recommendations to the board as to the required attributes of an auditor and provide a recommendation on the auditor to be appointed.

The performance of the auditors will be reviewed annually by the audit committee which will recommend to the board the retention or replacement of the auditors.

2 External Auditor Appointment Procedures

The procedures adopted by the Audit Committee in selecting an auditor must always remain flexible, however the following matters will be considered:

- Ability to add value to the company’s operations
- Resources available to conduct the audit
- Industry experience and expertise
- Audit approach and methodology
- Means and frequency of reporting
- Transitional issues and arrangements required
- Independence conflicts
- Professional fees
- Other services offered
- Insurance coverage





3 External Auditor Independence

The external auditor will be required to provide details of non-audit services provided and a statement confirming the provision of these services are compatible with auditor independence.

4 Rotation of the External Audit Engagement Partner

Acumentis requires the rotation of the external audit engagement partner at least every 5 years, in addition to the requirements of any professional audit standards.

APPROVED BY THE BOARD JULY 2019

