



Sipa Resources Limited

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## Policy – Auditor Selection and Independence

### Revision history

Rev.	Issued	Description	Prepared	Approved by Board
1.0	25/6/19	Review	Robson	25/6/19
0	16/9/04	Policy created	Robson	16/9/04

## **1 Purpose**

The Audit & Risk Committee (**Committee**) has the delegated responsibility for all matters relating to the appointment, reappointment or replacement of the external auditor, as well as evaluating its effectiveness and independence. In carrying out these responsibilities, the following procedures are applied.

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## **2 Assessment of External Auditor**

The Committee will review the performance of the external auditor on an annual basis after completion of the year-end audit. In evaluating the effectiveness of external audit, the Committee will assess the effectiveness of the external auditor based on a number of criteria including but not restricted to:

- the overall comprehensiveness of the external audit plan;
  - the timeliness and quality of communications promised under the plan and delivered during the audit;
  - the competency and industry knowledge of external audit staff;
  - the adequacy of resources to achieve the scope as outlined in the audit plan; and
  - the value received from the external audit. The Committee will seek feedback from management during the assessment process
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## **3 Independence**

The Committee will review and assess the independence of the external auditor, including but not limited to any relationships with the Company or any other entity that may impair or appear to impair the external auditor's judgement or independence in respect of the Company. The review and assessment will be carried out annually at the time the external auditor presents its annual audit plan.

Before the directors approve the half-year and full year accounts, the external auditor will be asked to provide a declaration testifying to its independence in respect of the financial period in question. The external auditor will have a continuing obligation to notify the Committee, via the Company Secretary, of any new information it believes may be material to reviewing its independence.

The Committee has responsibility to develop and oversee the implementation of the Company's policy on the engagement of the external auditor to supply non-audit services and to ensure compliance with that policy.

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## **4 Rotation of External Audit Engagement Partner**

Subject to compliance with the Corporations Act, ASX Listing Rules and corporate governance best practice, the external audit engagement partner is required to rotate at least once every 5 years.