

HALLENSTEIN GLASSON HOLDINGS LIMITED

AUDIT INDEPENDENCE POLICY

1. Overview

- 1.1 Hallenstein Glasson Holdings Limited (HGHL) will maintain auditor independence consistent with regulatory and the NZX Main Board requirements.
- 1.2 Oversight of HGHL's external audit arrangements is the responsibility of HGHL's audit committee (the *Audit Committee*). Ensuring that external audit independence is maintained is one of the key aspects of the Audit Committee's role. This audit independence policy has been adopted in connection with this responsibility.

2. Purposes

- 2.1 The purposes of this policy are to:
 - 2.1.1 ensure that the independence of the external auditor is maintained so the integrity of HGHL's external financial reporting is maintained; and
 - 2.1.2 provide direction on the professional services which may be provided by the external auditor and those which are not permitted.

3. Responsibility of the Audit Committee

- 3.1 The Audit Committee shall only approve an external auditor if that firm would be regarded by a reasonable investor with full knowledge of all relevant facts and circumstances as capable of exercising objective and impartial judgement on all issues encompassed within the auditor's engagement.
- 3.2 The Audit Committee should be satisfied prior to the appointment of the external auditor that there is no relationship between the proposed external auditor and the Company (or its directors and management) or any related person that could compromise the independence of the external auditor, and have received written confirmation to that effect from the proposed external auditor.
- 3.3 HGHL will Report annually to shareholders on the amount of fees paid to the external auditor for both audit and non-audit work and shall separately identify fees paid for each category of non-audit work.
- 3.4 The Audit Committee will ensure that the annual report states what non-audit work (if any) has been undertaken by the external auditor in the relevant financial year.

4. Responsibility of External Auditor

- 4.1 The external auditor shall annually confirm its compliance with professional standards and ethical guidelines of the Chartered Accountants Australia and New Zealand.
- 4.2 The external auditor will be required to confirm to the Board that there are no business relationships between the HGHL group and the external auditor beyond the provision of external audit services or non-audit work that has been approved by the Audit Committee.
- 4.3 The external auditors will provide annual confirmation that the external audit partners and staff do not have any financial interest in HGHL.

5. Audit Rotation

- 5.1 The continued appointment of HGHL's external auditor is to be confirmed annually by the Audit Committee.
- 5.2 Rotation of the external auditor's lead and engagement partner will be required every five years.

6. Provision of non-audit services by external auditor

- 6.1 The following guidelines are designed to ensure that any related assurance services provided by the external auditor are not perceived as conflicting with the independent role of the external auditor.
- 6.2 The general principles to be applied in assessing related assurance services are as follows:
 - 6.2.1 The external auditor should not have any involvement in the production of the financial information or preparation of financial statements such that they might be perceived as auditing their own work.
 - 6.2.2 The external auditor should not perform any function of management or be responsible for making management decisions.

7. Services permitted to be performed by external auditor

- 7.1 The Audit Committee must pre-approve all audit and related assurance services provided by the external auditor to the HGHL group.
- 7.2 Aside from core audit services HGHL's external auditor may provide the following services to the HGHL group with prior approval from the Audit Committee:
 - 7.2.1 Accounting policy advice
 - 7.2.2 Advice on interpretation and application of taxation policies
 - 7.2.3 Accounting and technical training and advice
 - 7.2.4 Internal control and systems assurance.
 - 7.2.5 General Consultancy Services

8. Services not permitted to be performed by external auditor

- 8.1 It is not considered appropriate for external auditor to provide the following services to the HGHL group:
 - 8.1.1 Financial information systems design and implementation.
 - 8.1.2 Valuations of assets and liabilities other than as required to complete regulatory audit requirements
 - 8.1.3 Services relating to accounting records or financial statements

8.1.4 Legal Services

8.1.5 Strategic business planning

9. Review

9.1 The Board will review this policy annually.