



CG9 External audit procedures

1. Auditor performance

- 1.1. The Board is responsible for appointing the CI Resources' external auditor. Any such appointment must be ratified by shareholders at the next Annual General Meeting of the Company.
- 1.2. The Audit Committee is responsible for implementing a selection process and making a recommendation to the Board based on its assessment of candidate firms.

2. Rotation of external audit engagement partners

- 2.1. The Company requires that its external auditor rotate the senior audit partner and the audit review partner every five years. The external auditor should ensure consistency by adequately planning for succession of these partners.
- 2.2. The Company may also require the auditor to rotate other key senior audit personnel engaged in providing audit services to the company.

3. Auditors to remain independent

The auditor and persons involved in the audit process must not place themselves in a position where their objectivity may be impaired or where a reasonable person might conclude that their objectivity has been impaired.

4. Criteria for selection of auditors

- 4.1. The Audit Committee assesses the following in evaluating potential external auditors:
 - 4.1.1. Professional standing and reputation;
 - 4.1.2. Ability to provide quality and efficient audit services, including audit methodology;
 - 4.1.3. Relevant experience, including within the Company's areas of business;
 - 4.1.4. Cost;
 - 4.1.5. Ability to demonstrate complete independence from the Company; and
 - 4.1.6. Ability to maintain independence through the engagement period.
- 4.2. The Company will not engage an external auditor likely to give rise to a 'self review threat' (as defined in Australian Professional Statement F1, *Professional Independence*, Institute of Chartered Accountants in Australia and CPA Australia 2002).
- 4.3. An auditor will give rise to a 'self review threat' if it:
 - 4.3.1. prepares the Company's accounting records or financial statements;
 - 4.3.2. carries out valuations for the Company;

- 4.3.3. provides auditor staff for secondment to management positions;
- 4.3.4. is involved in the implementation of key systems with financial implications;
- 4.3.5. gives advice that has a significant impact on the value of a material asset of liability;
- 4.3.6. provides internal audit services;
- 4.3.7. provides legal services; or
- 4.3.8. is involved in corporate finance activities.

5. Non-audit services

- 5.1. The external auditor will not provide non-audit services to the company unless:
 - 5.1.1. there is a compelling reason that the external auditor should provide the service (such as the absence of alternative service provider); and
 - 5.1.2. there are adequate measures in place to contain conflicts.
- 5.2. If the external auditor has provided non-audit services in a reporting year:
 - 5.2.1. the Company must state the compelling reason that the external auditor has provided the service in its Annual Report;
 - 5.2.2. the Company must state the fees paid to the auditor for non-audit services in the reporting year in the Annual Report; and
 - 5.2.3. the Audit Committee must state in the Annual Report that it is satisfied that the external auditor has maintained independence.