


# 2016 Policy on non-audit services provided by the independent external auditors

VERSION 3

Calibre Group Limited  
ABN 44 100 255 623

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30-06-16	D Clark	 P Massey, Company Secretary



## 1 ROLE OF THE COMMITTEE

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The Audit, Business Risk and Compliance Committee (the Committee) is responsible for development and oversight of the Company's policy on the engagement of the external auditor to supply non-audit services and ensure compliance with the policy.

## 2 WHAT ARE NON-AUDIT SERVICES?

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'Non-audit services' means any services provided by the external auditor which are not included in, or are not necessarily incidental to, the terms of the audit engagement. 'Non-audit services' do not include 'prohibited non-audit services' that are referred to in Sections 3 and 4 of this policy.

## 3 WHAT ARE PROHIBITED NON-AUDIT SERVICES?

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'Prohibited non-audit services' are services that, if provided by the external auditor to the Company, would create a real or perceived threat to the independence of the external auditor.

## 4 EXTERNAL AUDITOR MAY NOT PROVIDE PROHIBITED NON-AUDIT SERVICES

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As a general rule, the external auditor may not provide any prohibited non-audit services to the Company.

Unless the Committee decides otherwise, the external auditor is prohibited from:

- performing internal audit services;
- providing advice on deal structuring and related documentation;
- providing IT systems services;
- performing executive recruitment or extensive human resources functions;
- acting as a broker-dealer, promoter or underwriter; or
- providing legal services.

However, even if a non-audit service is not listed above, it will still be prohibited if it creates a real or perceived threat to the independence of the external auditor.

## 5 CFO MUST APPROVE ALL NON-AUDIT SERVICES

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To ensure auditor independence is maintained, the Company requires all engagements of the external auditor to provide non-audit services to be approved in writing by the Chief Financial Officer.

## 6 CFO NEEDS COMMITTEE APPROVAL FOR CERTAIN NON-AUDIT SERVICES

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The Chief Financial Officer must obtain the prior written approval of the Committee before the external auditor can be engaged to perform non-audit services where:

- the fee for the particular engagement exceeds \$100,000; or
- the annual fees for all non-audit services exceed, or are likely to exceed, 50% of the auditor's annual audit fees.

## 7 FACTORS TO BE CONSIDERED BY THE CFO/COMMITTEE WHEN GRANTING APPROVAL

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In assessing a request for non-audit services, the Chief Financial Officer/Committee is required to give consideration to:

- the nature of the service provided;
- the dollar value and period of engagement;
- the availability of alternate service providers and the reasoning for recommending the external auditor;
- the audit firm's self-assessment of its independence risk, including safeguards to mitigate perceived risks;
- whether the provision of the non-audit services creates a threat to the independence of the external auditor; and
- any other circumstances relevant to the engagement.

## 8 MONITORING AND REPORTING

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### 8.1 Internal Audit

Internal Audit will monitor whether this policy is being complied with and periodically report to the Committee as to compliance. Internal Audit must promptly report any breach of this policy to the chair of the Committee.

### 8.2 CFO

The Chief Financial Officer must report to the Committee on a periodic basis regarding:

- any non-audit services provided by the auditor; and
- the amounts paid to the external auditor for those services.

### 8.3 Committee

The Committee must provide an annual report to the Board with respect to the non-audit services provided by the external auditor during the year. The report must include:

- the amounts paid or payable to the external auditor for non-audit services provided during the year;
- a statement whether the Committee is satisfied that the provision of those services during the year is compatible with the general standard of independence for auditors; and
- the reasons for the Committee's opinion.