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## External Auditor Policy

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### 1. Purpose

The purpose of this External Auditor Policy is to define those areas the Audit & Risk Committee (Committee) should consider in relation to the provision of external audit services to Credit Corp Group Ltd (Company).

This policy should be read in conjunction with the Committee Charter, which outlines the responsibilities of the Committee in regards to the provision of external audit services.

### 2. Appointment and removal

Annually the Committee will review the re-appointment of the external auditor and consider whether the Company should seek alternative proposals for the external audit of the Company.

Based on its review, the Committee will recommend to the Board the continued appointment or a change of the external auditor. In the event the Board agrees to a change of the external auditor the Committee will seek by way of tender, alternative proposals for the external audit of the Company.

The Committee will prepare the tender, review submissions from qualified firms and make a recommendation to the Board.

### 3. Review

Annually and prior to the re-appointment of the external auditor the Committee will review the performance of the external auditor. In reviewing the performance of the external auditor, the Committee shall consider:

- (a) the quality and rigour of the audit;
- (b) the quality of service provided;
- (c) the external audit firm's internal quality control procedures;
- (d) relationship with the Company;
- (e) the independence of the external auditor; and
- (f) the external auditor's proposed fees,

to satisfy themselves that an effective, comprehensive and complete audit can be conducted.

A year prior to the rotation of the lead partner, the Committee should agree a plan with the audit firm for an effective and cost efficient transition to a new lead partner. The lead partner of the external audit firm will be rotated every 5 years and any partner rotated will not be eligible for resumption for at least 2 years. In exceptional circumstances, the Committee may recommend to the Board that, in accordance with section 324DAA of the Corporations Act 2001 (Cth) (Act), the lead and signing audit partner rotation be extended for a period not exceeding a further 2 years where it is considered necessary to maintain the quality of the audit of the company. The resolution granting any extension must properly address the requirements of section 324DAVB of the Act.

## 4. Independence

To ensure the independence of the external auditor, the Committee will ensure the external auditor complies with the requirements of the Act and Accounting Professional & Ethical Standards Board APES 110 - Code of Ethics for Professional Accountants Section 290 'Independence' (and any other applicable legislation) specifically:

- (a) The external auditor will not be engaged by the Company to provide non-audit services unless otherwise agreed to by the Board.
- (b) The external auditor must not provide services that are in conflict with the external auditor's role as statutory auditor or that would otherwise impair or be perceived to impair the external auditor's independence.

The following types of non-audit work are examples of non-audit work that may **not** be undertaken by the external auditor.

- (a) accounting and bookkeeping work related to the accounting records or financial statements of the Company;
- (b) financial information system design and implementation services;
- (c) option valuation services;
- (d) internal audit services;
- (e) valuations of assets/liabilities;
- (f) actuarial services;
- (g) recruiting services;
- (h) management function or human resources services;
- (i) acquisition due diligence; and
- (j) any other service that the Board determines by regulation, is impermissible.

The provision of any non-audit services which are not listed above (non-prohibited services) must not create a conflict of interest for the external auditor

Prior to engagement of the external auditor for the provision of non-audit services the Committee will assess the actual and perceived independence of the external auditor having regard to the type and quantum of the non-audit services.

Annually, the Committee will request the external auditor to report on its independence in accordance with the professional standards and the Act.

The Company will include in the audit engagement letter a requirement that the auditor adhere to the Company's policies on audit independence.

## 5. Review of this policy

The Board will review this policy annually to ensure it remains consistent with the Board's objectives and responsibilities.