



LIVING AND LEISURE AUSTRALIA GROUP

Selection, appointment and rotation of external auditor

Responsibility

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as per the recommendations of the Audit and Risk Committee. Any appointment made by the Board must be ratified by security holders at the next annual general meeting of the Group.

Selection and Appointment Process

Mandatory criteria

Candidates for the position of external auditor of the Group must be able to demonstrate complete independence from the Group and an ability to maintain independence through the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

Other criteria

Other than the mandatory criteria mentioned above, the Board may select an external auditor based on criteria relevant to the business of the Group such as experience in the industry in which the Group operates, references, cost and any other matters deemed relevant by the Board.

Key aspects of the external auditor selection and appointment process are:

- The Board is responsible for appointing the external auditor, subject to security holder approval.
- The Audit and Risk Committee will annually review the external auditor's performance and independence and periodically benchmark the cost and scope of the external audit engagement.
- Upon engagement, the external auditor will have unfettered access to management, staff, records and company facilities, and is permitted reasonable, agreed time to conduct its audit.

Review

The Audit and Risk Committee will review the performance of the external auditor on an annual basis and make any recommendations to the Board.

Rotation of external audit engagement partners

In accordance with the Corporations Act and professional standards the Group requires the audit partners and review partners of its external auditor to rotate every 5 years.