

**PHOSPHATE AUSTRALIA LIMITED**  
**EXTERNAL AUDITOR SELECTION POLICY**

## **SELECTION OF EXTERNAL AUDITOR**

Should there be a vacancy for the position of external auditor, Phosphate Australia conducts a formal tendering process, either general or selective.

Tenders are evaluated in accordance with the criteria, as appropriate from time to time, provided to tenderers. Tenders are not assessed solely on the basis of price, but on a number of issues such as:

- skills and knowledge of the team proposed to do the work;
- quality of work;
- independence of the audit firm;
- lead signing partner and independent review partner rotation and succession planning;
- value for money;
- ethical behaviour and fair dealing; and
- independence from Phosphate Australia.

## **APPOINTMENT OF EXTERNAL AUDITOR**

The Board identifies and recommends an appropriate external auditor for appointment, in conjunction with senior management and/or Phosphate Australia in general meeting. The appointment is made in writing.

## **ROTATION OF EXTERNAL AUDIT PARTNERS**

The external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to Phosphate Australia's accounts for a period of more than five consecutive years. Further, once rotated off Phosphate Australia's accounts no partner of the external auditor may assume any responsibility in relation to Phosphate Australia's accounts for a period of five consecutive years. This requires succession planning on the part of the external auditor, a process in which Phosphate Australia is involved.