



EXTERNAL AUDITOR SELECTION & ROTATION
WEB SITE STATEMENT

External Auditor Selection & Rotation Web Site Statement

The information provided on the SMS Management & Technology Limited (“SMS”) External Auditor Appointment and Rotation arrangements is a summary only and does not constitute or represent the conditions on which SMS will conduct any tender for the external auditor or assess any responses received.

The procedure for the selection and appointment of the external auditor may vary from time to time depending on a range of factors.

Selection and appointment of external auditors

The procedures for the selection and appointment of SMS’s external auditor is based on the following:

- (i) The Board is responsible for appointing the external auditor, subject to confirmation by shareholders at the Company’s Annual General Meeting;
- (ii) The Audit, Compliance & Risk Committee is responsible for implementing a selection process and making a recommendation to the Board based on the Committee’s assessment of the responses received from potential external auditors; and
- (iii) The assessment of responses from potential external auditors takes into account a number of key criteria, including audit approach and methodology, internal governance processes, Company resources, key personnel and cost.

Once the review process has taken place the Audit, Compliance & Risk Committee provides the Board with information concerning the process adopted in undertaking the review, the recommended external auditor and the reasons for final recommendation.

Rotation of external audit engagement partners

In line with current professional benchmarks the Company requires the audit partners and review partners of its external auditor to rotate every five years.

Engagement of external audit employees/directors

SMS will not recruit, as either employees or Directors, partners from the audit firm involved on the SMS audit for at least two (2) years after that person last worked on the SMS audit. Where such appointments are made after the 2 year period, the details of the appointment will be reported in the Company’s financial report.