



## Policy on Auditor Independence

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## DOCUMENT CONTROL

### Document Information

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### Supporting Documentation / References

The following documents are related to this document:

Document
TWHL Constitution
Audit and Risk Committee Charter
Policy on Protected Disclosures

## 1 PURPOSE

- 1.1 The purpose of this policy is to provide guidance on the provision of audit services by any person engaged to perform external audit services in relation to Trade Window Holdings Limited and its subsidiary companies ("**TradeWindow**" or the "**Company**"). The objective of this policy is to ensure that TradeWindow's auditors carry out their functions independently and without impairment, safeguarding the reliability and credibility of TradeWindow's external financial reporting.
- 1.2 This policy helps ensure TradeWindow will maintain auditor independence in fact and appearance, and that is consistent with regulatory NZX requirements and current best practice.
- 1.3 The Audit and Risk Committee ("**Committee**") is responsible for administering this policy.

## 2 APPLICATION

- 2.1 This policy applies to TradeWindow and its subsidiaries (the "**Group**") and any person engaged to perform external audit services.

## 3 PROCEDURES FOR SELECTION AND APPOINTMENT

- 2.1 The Committee is responsible for approving the appointment of TradeWindow's external auditor(s).
- 2.2 The Committee shall only approve a firm to be external auditor if that firm:
  - (a) would be regarded by a reasonable investor with full knowledge of all relevant facts and circumstances as capable of exercising objective and impartial judgment on all issues encompassed within the external auditor's engagement;
  - (b) monitors its independence and reports to the Committee biannually that it has remained independent in the previous six months, in accordance with this policy and its firm's policies and professional requirements;
  - (c) has not, within the two years preceding commencement of the appointment had as a member of its New Zealand partnership any of TradeWindow's Chief Executive Officer or Chief Financial Officer or any member of TradeWindow's management who have financial oversight of TradeWindow's business; and
  - (d) does not allow its audit partners to receive direct compensation for selling non-audit services to TradeWindow.

## 4 MONITORING OF INDEPENDENCE

- 4.1 The Committee is responsible for monitoring and assessing the independence of the external auditor on an ongoing basis.
- 4.2 The external auditors shall report annually to the Committee:
  - (a) their compliance with the professional standards and ethical guidelines of the Chartered Accountants Australia and New Zealand to evidence their competence;
  - (b) that the total fees received by the external auditor from TradeWindow do not have a material impact on its operations or financial condition;
  - (c) that TradeWindow has not withheld fees from the external auditor;
  - (d) that there is no litigation between TradeWindow and the external auditor;

- (e) that the external auditor's partners and staff do not have any financial interest in TradeWindow;  
and
- (f) that there are no business relationships between TradeWindow and their external auditor beyond the provision of external audit services or approved services provided pursuant to this policy.

## **5 ROTATION OF EXTERNAL AUDITOR**

- 5.1 The Committee must confirm the appointment of TradeWindow's external auditors annually.
- 5.2 Rotation of TradeWindow's client service partner and the Key Audit Partner (as that term is defined in the NZX Listing Rules) of TradeWindow and its subsidiaries will be required every five years with suitable succession planning to ensure consistency. Those partners are subject to a mandatory two year stand down period to be completed before those partners can next be engaged by TradeWindow.

## **6 NON-AUDIT SERVICES**

- 6.2 TradeWindow may engage with the external auditor from time to time to provide non-audit services. The external auditor's firm should not provide services that are or could be perceived to be in conflict with the role of the auditor. Examples of non-audit services may include:
  - (a) audits of regulatory requirements;
  - (b) advice on accounting policy, appropriate accounting standards and their interpretation;
  - (c) taxation services;
  - (d) audits of existing company systems and processes;
  - (e) assistance with the preparation of statutory financial statements;
  - (f) providing due diligence services; and
  - (g) accounting and technical training.
- 6.3 The Chief Financial Officer is required to approve permissible non-audit work before any non-audit services are provided by the external auditor's firm. The fees for such services should not exceed 20% of the fees for core audit services in any financial year. TradeWindow will disclose all audit and non-audit services in the financial statements on an accrual basis.

## **7 RESPONSIBILITIES OF TRADEWINDOW**

- 7.1 The Chief Financial Officer (or delegate) will submit reports to the Committee on a regular basis detailing the external auditor's performance. The criteria for evaluating this performance will include the value derived for shareholders. Reports will also detail the level of fees paid to the external auditor, differentiating between audit and non-audit services.
- 7.2 If in the view of the Committee, the level of fees for non-audit services being paid to the external auditor is of a level that could impair, or be perceived to impair, the independence of the external auditor, the Committee it may, at its discretion, restrict the amount of non-audit work that the external auditor is engaged to provide.

## **8 POLICY BREACH**

- 8.1 Any breach of this policy must be reported to the Chief Financial Officer and Committee as soon as practical or in accordance with TradeWindow's Whistleblowing Policy/Protected Disclosure Policy. The

Committee may consider such breaches to constitute serious misconduct and will take such action as is required to preserve the integrity of TradeWindow's financial reporting.

## **9 POLICY REVIEW**

9.1 The Board will review this policy as required and at least every two years.