

Selection of External Auditors and Partner Rotation Procedures

Selection and appointment of external auditors

The Board has sole authority and responsibility for the selection and appointment of the Company's external auditors. Accordingly, the Board authority to:

- Retain external auditors, subject to shareholder approval
- Audit engagement fees, terms and services; and
- All non-audit engagements

When it is deemed appropriate that a change in external auditors is necessary, this is usually conducted by calling for tenders from audit firms deemed by the Board to be sufficient and capable of properly, effectively and efficiently auditing the statutory accounts of the Company in all jurisdictions in which the Company operates and reports.

Where appropriate tenders shall be called from three (3) firms. The current auditor may be invited, subject to independence requirements, to be one of the tendering firms.

The Board determines, in its absolute discretion, the successful firm and is not be obliged to accept the lowest tender.

Ensuring audit independence

The Board is charged with the responsibility for ensuring the independence and continued independence of the Company's external auditors. The Board discharges this responsibility through:

- At least yearly review and discussion with the external auditor in respect of information provided by management and the auditor relating to independence and non-audit services provided by the auditor;
- At least yearly, the auditors shall submit to the Board a formal written statement of independence that is in compliance with applicable independence standards; and
- Actively engaging in dialogue with the Company's auditors with respect to any disclosed relationship or services that may impact the objectivity or independence of the auditors.

Rotation of audit partners

As an integral element of the Board's responsibility for ensuring the Auditor's independence, of ensuring the rotation of the audit partner, through the following:

- Taking appropriate action to oversee the independence of the auditor. The Board shall take such steps with respect to the identification and regular rotation of audit partners serving on the Company's audit engagement team. No audit partner shall serve on an audit engagement team for more than seven consecutive years and the "lead" and "concurring" partners shall be prohibited from serving for more than five consecutive years.