

METAL BANK LIMITED
EXTERNAL AUDITORS POLICY

1. Introduction

Metal Bank Limited (*the Company*) and its related entities (“Group”) are committed to maintaining a high standard of financial reporting and in furtherance of this, in ensuring the independence of the external auditors of the Group (“Auditors”). The Board of directors is responsible for overseeing the Company’s relationship with Auditors and for determining and ensuring the independence of the Auditors. Independence requires a freedom from bias, personal interest or susceptibility to undue influence or pressure, any of which could lead to a belief that the audit opinion was determined other than by reference to the facts of the audit alone.

2. Scope

This policy applies to all directors, officers, employees, contractors and consultants of the Group (referred to collectively as “staff”) and to the Auditors.

3. Scope

This policy is intended to assist in ensuring the independence of Auditors by establishing criteria in relation to when non-audit services may be carried out by the Auditors and requiring the rotation of auditor personnel on a regular basis.

4. Policy

4.1 Excluded Services

Auditors must not provide services that conflict with the role of external auditor (“Excluded Services”).

Excluded Services are services that have the potential to impair or appear to impair the independence of the audit role and include those services:

- (a) where the proposed remuneration is by way of success fees, contingent fees or commissions;
- (b) which are undertaking a role of management;
- (c) requiring the service provider to act in an advocacy role for the Company or any member of the Group; or
- (d) where the Auditor may be required to audit their own work.

In particular, services which are considered unacceptable for performance by the Auditor are:

- internal audit performance;
 - acquisition accounting, due diligence, M&A support where the external auditor is also the auditor of the other party;
 - book-keeping or services relating to accounting records;
-

- preparation of interim or annual reports;
- taxation structuring or assistance in resolution of disputes;
- the design, implementation, operation or supervision of information technology systems;
- appraisal or valuation and fairness opinions;
- risk management and other management functions;
- secondments to the Group where the secondee performs decision-making or supervisory roles;
- human resources and recruitment services;
- corporate financing, funding or similar activities; or
- legal advocacy services.

4.2 Provision of non-audit services

An Auditor may be permitted to provide non-audit services, which are not Excluded Services, subject to the following:

- an engagement letter from the Auditors must be provided setting out the scope of the service and the fee structure;
- the provision of non-audit services must be compatible with maintaining the independence and objectivity of the Auditor and maintaining the quality of the audit services provided; and
- the Auditor must furnish their opinion that the service will not impair their independence.

Approval Process

Any non-audit services provided by the external auditor must be approved by the Board. All contacts made by Group management personnel with the Auditor for non-audit services are to be advised to the Chair to enable approval of the services to be provided. The Group's monetary approval thresholds that require specific approval of non-audit services provided by the Auditor are as follows:

Non-audit service	Prior approval required from		
	Executive Director - Finance	Board	Details reported bi-annually to Board
Pre-approved services (refer below)	√ (up to \$10,000)	√ (above \$10,000)	√
Any engagement not on Pre-approved list	√ (up to \$5,000)	√ (above \$5,000)	√

Pre-approved services are as follows (and as otherwise approved as pre-approved services by the Board):

- audit services;
- audit-related/assurance services;
- financial accounting/reporting advice;
- taxation compliance services;
- transaction advice and services;
- winding up and administration of subsidiaries; and
- other services – investigative specialist services, treasury and pension advisory services.

The Auditor does not have preferred supplier status in respect of the pre-approved services outlined above. It is expected that any significant engagements will be subject to a tender process.

4.3 Reporting Process

The Executive Director responsible for finance is to provide the Board with six-monthly reports of non-audit fees incurred together with comparative information for prior years (if any).

4.3 Rotation of Auditors

The Company requires that the lead partner involved in the external audit should not remain in a key audit role beyond 5 years and cannot be re-engaged to in a significant role in the audit of the company for at least another two successive years.

5. Questions

If you have any questions arising from this trading policy please contact the Company Secretary.

Approved by the Board
28 August 2014